PUBLIC PAPERS
OF THE
PRESIDENTS

Gerald R. Ford

1976–77

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PUBLIC PAPERS OF THE PRESIDENTS

OF THE UNITED STATES

Gerald R. Ford

Containing the Public Messages, Speeches, and Statements of the President

1976–77

(IN THREE BOOKS)

BOOK I—JANUARY 1 TO APRIL 9, 1976

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FOREWORD

IN LIGHT of certain developments in November, one may justifiably wonder why I consider 1976 among the most memorable and rewarding years of my life.

Yet, taking a more detached view than the duties and decisions of 28 years in Washington ever permitted, I am firmly convinced that our national Bicentennial will long endure as a landmark in the American adventure.

No American who witnessed, who felt and was caught up in that spontaneous outpouring of unashamed pride in our country, that jubilant reaffirmation of faith in the future of freedom, can ever forget our 200th birthday. Each of us will remember that we had a part in the rebirth of confidence and community among all our citizens.

The spirit of 1976, soaring far above the customary celebrations of fun and fireworks, stirred to life powerful and invigorating instincts deep in America's soul. Independence, equality, self-discipline and mutual respect—these facets of our national character not only survived two centuries of severe testing but spread and were strengthened from sea to shining sea.

As a people, we learned that despite all difficulties, the world still looks with envy and hope to the United States and its durable principles and ideals. And we rededicated ourselves to them.

These pages record the official words and acts of the Presidency in the 200th year of our independence, a year of peace at home and abroad, a year of economic recovery and receding inflation, a year that closed with an orderly transition of political responsibility befitting a mature and secure Republic.

It was, for me, a year in which I was immeasurably honored and rewarded by the privilege of serving a great and good people.

The American adventure is a continuing process. It is my prayer that 1976 will be remembered not as the end of our first two centuries of national independence, but as the beginning of a new era of independence for every individual American.

Gerald R. Ford

PREFACE

IN THIS VOLUME are gathered most of the public messages and statements of the 38th President of the United States that were released by the White House during the period January 1, 1976–January 20, 1977. Volumes covering the Administrations of Presidents Hoover, Truman, Eisenhower, Kennedy, Johnson, and Nixon are also available.

The series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of the messages and papers of the Presidents, covering the period 1789 to 1897, was assembled by James D. Richardson and published under Congressional authority between 1896 and 1899. Since then, various private compilations have been issued but there was no uniform publication comparable to the Congressional Record or the United States Supreme Court Reports. Many Presidential papers could be found only in the form of mimeographed White House releases or as reported in the press. The Commission therefore recommended the establishment of an official series in which Presidential writings, addresses, and remarks of a public nature could be made promptly available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register issued under section 6 of the Federal Register Act (44 U.S.C. 1506). The Committee's regulations, establishing the series and providing for the coverage of prior years, are reprinted as *Appendix D.*

Content and Arrangement

The text of this book is based on Presidential materials that were White House press releases, on material issued by the White House Press Office, and on transcripts of news conferences. Where available, original source materials, including tape recordings, have been used to protect against errors in transcription. The items are presented in chronological order.

The dates shown in the item headings are White House release dates. In instances where the date of the document differs from the release date, that fact is shown in the note immediately below the item heading. Textnotes, footnotes, and cross references have been supplied only where needed for purposes of identification or clarity.

Remarks or addresses were delivered in Washington, D.C., unless otherwise indicated, and all times shown are local time. Similarly, statements, messages,

and letters were released from the White House in Washington unless otherwise indicated.

Appendixes have been provided to cover special categories of Presidential issuances and actions, as noted below.

White House releases not included as items in this volume and not listed in later appendixes are listed in *Appendix A*.

A complete listing by number and subject of all proclamations, Executive orders, and similar documents required by law to be published in the Federal Register appears in *Appendix B* for the period covered by this volume.

The President is also required by law to transmit numerous reports to the Congress at fixed intervals. Those transmitted during the period covered by this volume are listed in *Appendix C*.

This series is under the direction of Fred J. Emery, Director, and Ernest J. Galdi, Deputy Director, of the Office of the Federal Register. This volume was prepared under the editorial direction of Robert E. Lewis, Director, and Richard L. Claypoole, Deputy Director, Presidential Documents Division. Editors of this volume were Wilma P. Greene and Brenda A. Robeson, assisted by D. Michael Smith and Brian R. Hermes.

Photographs were made available through the White House Photo Office and the National Archives and Records Service.

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JAMES B. RHOADS
Archivist of the United States

PAUL E. GOULDING
Acting Administrator of General Services
May 1979

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Gerald R. Ford

1976–77

1

Veto of a Bill To Amend the National Security Act of 1947. *January 1, 1976*

[Dated December 31, 1975. Released January 1, 1976]

To the Senate of the United States:

I return without my approval S. 2350, a bill "To amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council."

The National Security Council is one of the most important organizations in the Executive Office of the President. The Council's function, under the law, is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. The President, the Vice President, the Secretary of State, and the Secretary of Defense are the statutory members of the Council. In addition, the President may, under the law, appoint by and with the advice and consent of the Senate the Secretaries and Under Secretaries of other executive departments and of the military departments to serve at his pleasure. No President has ever exercised this latter authority.

In my judgment, enactment of S. 2350 is not necessary. From its establishment in 1947, each President has invited from time to time additional officers to participate in National Security Council deliberations when matters specifically relating to their responsibilities have been considered. In line with this practice, the President invites the Secretary of the Treasury to participate in Council affairs when issues of substantial interest to the Department of the Treasury are involved. Thus, existing arrangements provide for adequate participation of the Secretary of the Treasury in National Security Council matters.

Furthermore, additional mechanisms exist to assure that the President receives advice which takes into account the proper integration and coordination of domestic and international economic policy with foreign policy and national security objectives. Both the Economic Policy Board and the Council for International Economic Policy provide the President with high level advice on economic matters. The Secretary of the Treasury is the Chairman of these two bodies on which the Secretary of State also serves.

I believe that S. 2350 is undesirable as well as unnecessary. The proper concerns of the National Security Council extend substantially beyond the statutory responsibilities and focus of the Secretary of the Treasury. Most issues that come before the Council on a regular basis do not have significant economic and monetary implications.

Moreover, a large number of executive departments and agencies have key responsibilities for programs affecting international economic policy. From time to time these programs influence importantly our foreign policy and national security decisions. The Treasury Department does not and could not represent all those interests. Extending full statutory membership on the National Security Council to the Secretary of the Treasury would not achieve the purpose of bringing to bear on decisions the full range of international economic considerations.

For these several reasons, I am concerned that increasing the statutory membership of the Council might well diminish its flexibility and usefulness as a most important advisory mechanism for the President.

In sum, S. 2350 is unnecessary, since adequate arrangements for providing advice to the President on the integration of economic and foreign policy already exist, and it is undesirable because the proposed arrangement is inconsistent with the purposes of the National Security Council and would lessen the current and desirable flexibility of the President in arranging for advice on the broad spectrum of international and national security policy matters.

GERALD R. FORD

The White House,
December 31, 1975.

NOTE: The Senate overrode the President's veto on January 22, 1976. On January 26, the House of Representatives reconsidered S. 2350, and the bill was referred to committee.

2

Statement on Signing the Public Broadcasting Financing Act of 1975. *January 1, 1976*

I AM pleased to sign H.R. 6461, the Public Broadcasting Financing Act of 1975. This legislation, while not perfect, represents a milestone in the history of public broadcasting. It will help assure that public broadcasting can concentrate on being the effective and innovative source of educational and cultural programing which the American people have come to expect.

I congratulate the Congress for including in this new legislation most of the provisions originally recommended by the administration. Under the bill, the level of Federal funding will be keyed to the ability of the Corporation for Public Broadcasting and the local broadcasters themselves to generate contributions from other sources. In addition, a significant percentage of the Federal contribution to public broadcasting will be required by law to be distributed to local public broadcasting stations. Both of these features ensure that the Federal commitment to public broadcasting will be dependent upon and responsive to the interests and needs of local audiences.

I am also pleased that the legislation provides for a 5-year authorization. Multi-year financing for public broadcasting has been a long-sought objective as a means of insulating this important medium of expression from the possibility of undue governmental control.

I am disappointed, therefore, that the present bill does not include the corresponding 5-year appropriation originally proposed by the administration.

I am also concerned about the authorization ceilings contained in H.R. 6461. The bill proposed by the administration contained funding ceilings for a 5-year period ranging from $70 million in the first year to $100 million in the fifth year. Unfortunately, the Congress has increased these ceilings significantly, providing for a 5-year authorization ranging from $88 million to $160 million. In this time of severe strain on the Federal budget, I consider it essential that the appropriations provided under this bill conform to the limits which I intend to recommend in my fiscal year 1977 budget.

In spite of the deficiencies I have mentioned, I believe the bill I have signed will significantly enhance the ability of the public broadcasting community to continue providing programing of excellence and diversity for the American people.

NOTE: As enacted, H.R. 6461, approved December 31, 1975, is Public Law 94–192 (89 Stat. 1099).

3

Statement on Signing a Bill Concerning Financial Institutions, the National Commission on Electronic Fund Transfers, and Home Mortgage Disclosure. *January 1, 1976*

I HAVE signed into law S. 1281. Title I of this bill extends until March 1, 1977, the authority of various Federal agencies to regulate interest rates paid on certain deposits in financial institutions. Title II extends the authorization

of the National Commission on Electronic Fund Transfers for 2 years beyond the confirmation date of its Chairperson. I support these two measures. However, I have some reservations about Title III, the "Home Mortgage Disclosure Act of 1975."

This act will require financial institutions having over $10 million in assets and operating in large urban "standard metropolitan statistical areas" to comply with a new program of Federal regulation. All of these depository institutions will be required to compile and make available for public inspection information on the number and total dollar amount of mortgage and home improvement loans, broken down by census tract or zip code. This Federal law will be enforced by several Federal regulatory agencies (the Federal Reserve Board, Federal Home Loan Bank Board, and others) and will supersede any inconsistent provisions of State laws. The Federal Reserve Board will have authority to exempt State-chartered institutions which are subject to similar State disclosure and enforcement requirements.

In essence, this third title attempts to highlight the problem of mortgage and home improvement loan fund shortages in some parts of large urban areas—often lower income, older neighborhoods—where credit discrimination based upon geographic factors is alleged to occur.

I firmly believe, as do most people, that discrimination on racial or ethnic grounds is a practice which is abhorrent to our American way of life. Our Constitution grants equal liberties to all citizens. Federal, State, and local laws expressly prohibit discriminatory practices. Our courts have continued to uphold the principle that a strong and free nation is one which can, and must, protect any individual's rights, regardless of race or religion. This bill attempts to expose any such discrimination by financial institutions providing housing credit. I strongly support this objective.

White I note that the Congress claims that this legislation is not intended to encourage unsound lending practices or the allocation of credit, I am concerned that this Mortgage Disclosure Act may impose a burdensome and costly requirement for additional recordkeeping and paperwork. Unless this new disclosure program is very carefully administered, the Federal Government will be placing yet another requirement on the private sector—a requirement which will impose substantial costs but will do very little to increase the total availability of mortgage funds in our housing markets.

I trust that the agencies administering Title III of this bill will assess carefully the costs and benefits to both the lenders and borrowers. As presently enacted, this legislation will have a 4-year life. If, within that period, undue

burdens result from the implementation of this program, I shall not hesitate to recommend amending legislation.

I also trust that the Congress will join with my administration in working to solve the capital shortage problem which our country faces. Over the years our expanding capital markets have helped keep the American economy strong, because sufficient capital—for housing, industry, consumer credit, and other purposes—has been available to sustain economic growth. Rather than support capital allocation, my administration is committed to improve and strengthen the free market mechanisms used for raising and investing capital—particularly for housing. To this end I have urged Congress to enact the administration's Financial Institutions Act of 1975 (S. 1267), a bill which will permit banks and other thrift organizations to offer competitive yields on savings deposits and a wider range of services to customers and home buyers. This legislation will offer new incentives to all mortgage lenders and should help alleviate shortages of mortgage money in every housing market of our Nation.

NOTE: As enacted, S. 1281, approved December 31, 1975, is Public Law 94–200 (89 Stat. 1124).

4

Veto of a Common Situs Picketing Bill. *January 2, 1976*

To the House of Representatives:

I am returning without my approval H.R. 5900, commonly known as the Common Situs Picketing Bill.

The bill before me represents a combination of H.R. 5900, which would overturn the United States Supreme Court's decision in the Denver Building Trades case and the newly proposed Construction Industry Collective Bargaining Bill, S. 2305, as amended. During the development of this legislation, I stipulated that these two related measures should be considered together. The collective bargaining provisions have great merit. It is to the common situs picketing title that I address my objections.

I had hoped that this bill would provide a resolution for the special problems of labor-management relations in the construction industry and would have the support of all parties. My earlier optimism in this regard was unfounded. My reasons for this veto focus primarily on the vigorous controversy surrounding the measure, and the possibility that this bill could lead to greater, not lesser, conflict in the construction industry.

There are intense differences between union and nonunion contractors and labor over the extent to which this bill constitutes a fair and equitable solution to a long-standing issue. I have concluded that neither the building industry nor the Nation can take the risk that the bill, which proposed a permanent change in the law, will lead to loss of jobs and work hours for the construction trades, higher costs for the public, and further slowdown in a basic industry.

GERALD R. FORD

The White House,
January 2, 1976.

NOTE: The House of Representatives reconsidered H.R. 5900 on January 19, 1976, and referred the bill to committee.

5

Statement on Signing the American Folklife Preservation Act. *January 3, 1976*

I HAVE signed H.R. 6673, the American Folklife Preservation Act.

H.R. 6673 establishes in the Library of Congress an American Folklife Center to preserve and present American folklife. The Center is to be directed by a Board of Trustees composed as follows: four members appointed by the President from among Federal officials concerned with folklife; four members appointed each by the President pro tempore of the Senate and the Speaker of the House of Representatives from among private individuals noted for their involvement in folklife; the Librarian of Congress; the Secretary of the Smithsonian; the Chairmen of the National Endowments for the Arts and the Humanities; and the Director of the Center.

The Center is authorized to enter into contracts for activities including research, scholarship, training, publications, exhibits, workshops, and educational projects for classroom and general usage. It will also establish and maintain a national archive and center for American folklife, collect specific types of works for preservation in the archive, and loan such works to the public.

I have serious reservations concerning the constitutional propriety of placing the functions to be performed by the Center outside the executive branch and the assignment of executive duties to officers appointed by Congress. However, given historical practice and custom in the area of cultural and educational

affairs and the potential of H.R. 6673 to enrich the cultural life of the Nation, I am granting my approval to the measure.

NOTE: As enacted, H.R. 6673, approved January 2, 1976, is Public Law 94–201 (89 Stat. 1129).

6

Interview for an NBC News Program on American Foreign Policy. *January 3, 1976*

TOM BROKAW. Mr. President, do you think that it is possible for you to make decisions in the name of national security if those decisions do not reflect the popular will of the people?

THE PRESIDENT. It does make it somewhat difficult, Tom, but I think it is the responsibility of a President to fully inform the American people and convince them that what we are seeking to do in foreign policy is in our best interests. And if a President carries out that responsibility, then he can and will have the support of the American people.

MR. BROKAW. Is that the situation now in Angola? Do you have to convince the American people of what you consider to be the national security of the United States there?

THE PRESIDENT. I believe there is a need and necessity for that. I don't believe that enough Americans understand the great responsibilities we have as a nation on a worldwide basis, and that includes, of course, Africa as a whole. What we really want and what we are seeking to do in Angola is to get an African solution to an African problem, and through bilateral negotiations, through working with the Organization of African Unity, through relations with the Soviet Union and others, we are trying to achieve that African solution to an African problem.

MR. BROKAW. Mr. President, the Soviet Union quite clearly has signaled in a TASS article that it wants all major powers to withdraw militarily from Angola. Has Moscow privately communicated that to you as well?

THE PRESIDENT. We are working with all powers, including the Soviet Union, to try and permit the Angolan people, the three different groups there at the present time, to get a decision or solution that will reflect a majority view of the Angolan people. And we are doing it, as I indicated, with a number of major powers, including the Soviet Union, as well as the many, many African countries that are a part of the Organization of African Unity.

MR. BROKAW. But as a result of this TASS article, is it your understanding now that Russia is prepared to break off its military support and to have Cuba quit sending troops as well to Angola?

THE PRESIDENT. I don't believe we can say categorically that that is their intention. We are simply working with them because a continuation of that confrontation is destabilizing. It is, I think, inconsistent with the aims and objectives of détente, and we are making some headway. But I can't say categorically that the end result is what we want it to be at the present time.

MR. BROKAW. Mr. President, in a recent speech, Secretary Kissinger said there is a gray area between foreign policy and national security which, he said, we deny ourselves at great risk to our national security. I suppose that training foreign mercenaries for use in Angola might be called part of that gray area. Are we training foreign mercenaries for use in Angola?

THE PRESIDENT. The United States is not training foreign mercenaries in Angola. We do expend some Federal funds, or United States funds, in trying to be helpful, but we are not training foreign mercenaries.

MR. BROKAW. Are we financing the training of foreign mercenaries?

THE PRESIDENT. We are working with other countries that feel they have an interest in giving the Angolans an opportunity to make the decision for themselves, and I think this is a proper responsibility of the Federal Government.

MR. BROKAW. Mr. President, while you may disagree with the results of the Senate vote on Angola, do you agree that it probably represents the will of the American people?

THE PRESIDENT. It may at this time. But I will repeat, as I said a few moments ago, the American people, I think, if told and fully informed as to the role and responsibility and the aims and objectives of the American Government in trying to let the Angolans and the Africans come to a solution, I think in time the American people will support what we have been trying to do in Angola.

MR. BROKAW. Mr. President, in the past the congressional role in foreign policy has been largely confined to a few chairmen and senior members. Now the process has been broadened considerably. You are formerly a man of Congress. Do you think that is a healthy sign?

THE PRESIDENT. I think Congress, under the Constitution, does have a proper role in foreign policy, but I don't think our forefathers who drafted that Constitution ever envisioned that 535 Members of the House and Senate could execute foreign policy on a day-to-day basis. I think the drafters of the Constitution felt that a President had to have the opportunity for decisiveness, for flexibility,

for continuity in the execution of foreign policy, and somehow we have to mesh the role and responsibility of the Congress, which is proper, with the opportunity for the President to carry out that foreign policy in the best interests of the United States.

Now, there have been some instances in recent months where I think the actions of the Congress have hampered, interfered with the execution of foreign policy, and let me cite one or two examples.

The action of the Congress about a year ago has harmed the opportunity of many to emigrate from the Soviet Union. I noticed just the other day that the emigration from the Soviet Union is down this year, including many reductions in the emigration of Soviet Jews from Russia. I think the action of the Congress was harmful in that regard.

It is my judgment that in the case of congressional action on Turkish aid, they have slowed down the potential solution to the Cyprus problem.

In some respects—and I emphasize some—the action of the Congress has hurt our efforts in the intelligence field, although the Congress in some respects in this area has illuminated what were, and I think we all recognize, some abuses in the intelligence field.

But overall there has to be a better understanding of the role of the Congress and the role of the President, and they have to be meshed if we are going to be successful.

JOHN CHANCELLOR. Mr. President, is it because of Vietnam and the fact that President Johnson and, to some degree, President Nixon had a lot of control over Vietnam and the Congress had very little control of it that you are in this fix?

THE PRESIDENT. I believe some of the instances that I have cited, John, are an aftermath of the trauma of Vietnam. Congress really asserted itself in the latter days of the Vietnam war. We all understand why. And Congress, having whetted its appetite, so to speak, I think, in the last few months, has continued to do some things that have been harmful in the execution on a day-to-day basis of our foreign policy.

MR. BROKAW. Mr. President, as a result of the Soviet role in Angola, the fact that the SALT talks now have bogged down somewhat, the fact that the spirit and the letter of the Helsinki agreements have not been fully carried out by Russia, are you now less enthusiastic about the prospects for détente?

THE PRESIDENT. I am not at all, and I think it would be very unwise for a President—me or anyone else—to abandon détente. I think détente is in the best

interest of this country. It is in the best interest of world stability, world peace.

We have to recognize there are deep ideological differences between the United States and the Soviet Union. We have to recognize they are a super power militarily and industrially, just as we are. And when you have two super powers that have such great influence, it is in the best interests of those two countries to work together to ease tensions, to avoid confrontation where possible, to improve relations on a worldwide basis.

And for us to abandon this working relationship and to go back to a cold war, in my opinion, would be very unwise for we in the United States and the world as a whole.

MR. BROKAW. But won't you be under a lot of domestic political pressure in this election year to change your attitude about détente?

THE PRESIDENT. I think it would be just the reverse, because when we look at détente—with the Berlin agreement of 1971, with SALT I, which put, to some extent, a limitation on nuclear development, et cetera—and when I look at the benefits that can come from the Vladivostok agreement of 1974, it is my opinion that we must continue rather than stop.

And if the American people take a good, calculated look at the benefits from détente, I think they will support it rather than oppose it. And politically, I think any candidate who says abandon détente will be the loser in the long run.

MR. BROKAW. Mr. President, the historian, Will Durant, has said that a statesman can't afford to be a moralist as well. Briefly, do you agree with that statement?

THE PRESIDENT. I don't believe there is any necessary conflict between the two. We have to be pragmatic at the same time. We have to be practical as we meet these specific problems. But if you lose your moral value, then I think you have destroyed your capability to carry out things in a practical way.

MR. CHANCELLOR. Mr. President, I wonder if I could ask you a question about the United Nations, which seems to have less utility in the world these days than it did when it began, and also about some of the pressure groups that we find both within the United Nations and as you see these pressure groups in foreign affairs. I am thinking, for example, of the influence of American Jews, of the growing influence of Arabs, of various groups. Aren't those groups kind of closing in on you, or do you feel that sometimes, sir?

THE PRESIDENT. I believe that substantial progress, John, was made in the United Nations in the Seventh Special Session late in 1975. That was a very constructive session of the United Nations, which sought to bring together the developing, as well as the developed, nations. This was constructive.

Now, it is true that subsequent to that there were some very vitriolic debates, there were some very serious differences that developed in the United Nations from various pressure groups.

I would hope that in the future some of this conflict would subside and there would be a more constructive effort made to solve the problems. And since I am always an optimist—and I think it is important and necessary for a President to be that—I think that as we move in the United Nations in the future that we can calm some of the voices and get to some of the answers.

And so, this country's foreign policy in the United Nations will be aimed in that direction. And if we follow what we did in the Seventh Special Session and what we are trying to do now, I think these pressure groups will recognize that words are not the answer, but solutions will be to the benefit of all parties concerned.

MR. CHANCELLOR. In your history in public life as a Member of Congress, Mr. President, and now as the President, do you find that organized groups play a greater role now in terms of our foreign affairs or trying to influence them than they did when you began?

THE PRESIDENT. To some degree, yes. I think highly organized, very articulate pressure groups can, on occasion, tend to distort the circumstances and can hamper rather than help in the solution.

I don't believe those pressure groups necessarily represent the American people as a whole. So, a President, myself included, has to look at the broad perspective and not necessarily in every instance respond to the pressure groups that are well intentioned but who have a limited perspective or scope.

And as we move ahead, we are going to try and predicate our foreign policy on the best interests of all the people in this country, as well as our allies and our adversaries, rather than to respond to a highly articulate, a very tightly organized pressure group of any kind. We cannot let America's policies be predicated on a limited part of our population or our society.

MR. CHANCELLOR. Mr. President, thank you for spending that extra minute with us. We thought that was an important point. I appreciate very much your answering that question.

THE PRESIDENT. Thank you, John.

NOTE: The interview began at 11:36 a.m. in the Library at the White House. It was broadcast during a portion of the program "New World—Hard Choices: American Foreign Policy 1976," which was shown on the NBC network on January 5.

7

Exchange With Reporters on Arrival at St. Louis, Missouri. *January 5, 1976*

GOOD MORNING, everybody. How are you this morning?

REPORTER. Good morning.

THE PRESIDENT. It is great to be here in St. Louis with Governor Kit Bond and Attorney General Jack Danforth, as well as others. I enjoy this nice warm weather you are having here. [*Laughter*]

Q. Will you be doing much campaigning in New Hampshire?

THE PRESIDENT. We will be up there some, as I have said, but the main job, of course, will be working in the Oval Office on very important Presidential matters.

Q. Will you be spending any more than 1 day up there?

THE PRESIDENT. We have not finalized the exact amount, but we will be there some, and I think enough.

Q. Mr. President, a lot of the delegates to the convention are concerned about the way foreign policy and farm policy are tied together right now.

THE PRESIDENT. Well, I think if you listen to my speech this morning before the American Farm Bureau Federation, you will find that we don't think that a cutoff of grain to the Soviet Union would be successful, nor would it be advisable in the Angolan situation. And we believe that there are better ways to approach the matter.

Q. What are you going to do about the Angolan situation? Are you going to call for a cease-fire there?

THE PRESIDENT. I have said that a cease-fire is, by far, the best way to permit the Angolans to settle the Angolan problem. It seems to me that if all foreign intervention was eliminated that the Angolans could, among themselves, resolve the difficulties and go on from being freed from Portuguese control.

Q. What other leverage do we have in Angola, Mr. President?

THE PRESIDENT. Well, I think we have the prestige of the United States in working bilaterally, as well as with the Organization of African Unity. I think, in the final analysis, most African nations would prefer to have the Angolan problem solved by the Angolans themselves. And we are working on a very broad basis, as well as on a bilateral basis, in order to try and achieve that result.

Thank you very, very much.

NOTE: The exchange began at 10:15 a.m. at Lambert Field.

8

Remarks at the Annual Convention of the American Farm Bureau Federation in St. Louis. *January 5, 1976*

Thank you very much, President Bill Kuhfuss, Governor Bond, Senator Curtis, Senator Hatfield, Senator Allen, Congressman Al Ullman, and my dear friend and our wonderful Secretary of Agriculture, Earl Butz, fellow Farm Bureau members and guests:

I really welcome this invitation to make my first major address of this historic Bicentennial Year of 1976 before the farmers of America.

Our earliest heritage as a nation was created by the farmers. Today, the future of all Americans and, I emphasize, the world depends upon you more than ever. There is no Bicentennial forum more important than this convention of the American Farm Bureau Federation.

The time has come for all Americans to join you, the farmers, in recultivating America's old and cherished values, including our rededication to the highest moral and spiritual values. You, the farmers of America, took the challenge some 200 years ago. In the words of Ralph Waldo Emerson, describing the heroic stand at Concord Bridge in 1775, "The embattled farmers stood, and fired the shot heard round the world."

Today, the farmer is still embattled. Today's vital shots are not from guns, but from grain; not from pistols, but from productivity. The Minuteman of 1976 is the man who drives the tractors in your fields. Two hundred years have passed, but you remain central to America's future and America's freedom.

We start this Bicentennial Year with justifiable pride in our agricultural strength and progress. The last 3 years have been the highest on record in the terms of net farm income. I am fully aware that some farmers, because of drought and other reasons, have not shared in this bounty. But the real test is the net income of the total farming community.

I pledge to do everything in my power of the Presidency to keep farm income high, and it will be.

You can anticipate that net farm income will approach $25 billion without Government payments in this Bicentennial Year. This will be the fourth consecutive year that net farm income will exceed the 1972 then-record high of $17.3 billion, which incidentally included nearly $4 billion in Government payments.

Today, I want to remind those who would minimize our national strength

that over one-half of the grain moving across international boundaries throughout the world is grown by you, the American farmer. And we are proud of your efforts and your results.

But if we want dependable export markets for our food, the United States must be a reliable supplier. On two occasions since I became President, the Government was forced to temporarily restrain farm exports.

I recognize that these actions resulted in confusion and concern among some of our farmers. The first Government interruption came in October of 1974 when the Soviet Union suddenly, and without any notice whatsoever, entered our markets to buy at a time when we had a short crop in some areas. The Government was forced to intervene to learn Soviet intentions. This was in the interest of our livestock producers and our regular grain-buying customers overseas and the American public. Accordingly, contracts with the Soviet Union were renegotiated to change the proportion of corn and wheat for export. These actions headed off the danger of even more severe legislative restrictions by Congress.

Last summer, the Soviets suffered another extremely short crop. They again turned to the United States farmers for supplementary grain supplies. A temporary hold on new sales to the Soviets was made only after they had become our largest foreign customer by purchasing 9.8 million metric tons of grain—375 million bushels. There was, as you know, deep concern at that time about our own corn crop. Although the wheat harvest was nearly completed by July, our feed grain crop was still somewhat uncertain. Dry weather had already damaged corn in the western corn belt. There was no way of knowing if we would have a repeat of the drought or an early freeze which hit the corn crop the previous year.

Again, a temporary hold on new grain sales to the Soviets, and later to Poland, was taken, I can assure you, with extreme reluctance. Pressures in the Congress were increasing to halt all private grain sales and put agricultural exports in the hands of a Government management and control board. I did not, and do not want the Government running your business 365 days a year, year in and year out.

It was a unique situation that required corrective action and long-term solution. The temporary hold on the new sales permitted us to work out a 5-year agreement with the Russians. Since then—since then, in the open market we have made substantial new sales to the Soviet Union and to Poland. Right now, ships filled with U.S. grain are now backed up at foreign ports waiting to be

unloaded. There is every likelihood that we may sell even more this year to the Soviet Union.

This new agreement now assures that the Russians will purchase at least 6 million metric tons of U.S. corn and wheat each year for the next 5 years. This is more than a bushel a person in terms of the entire United States population. Poland has also indicated it will buy about 100 million bushels of U.S. grain annually for the next 5 years.

In addition to the annual Russian purchase commitment of 228 million bushels of wheat and corn, this agreement provides an option to purchase an additional 76 million bushels annually. All purchases will be at market prices through the private sector.

If the Russians wish to purchase more than 304 million bushels in any year, it is possible under the agreement. There is no arbitrary and inflexible ceiling. For example, we have already sold them more than 500 million bushels out of the current 1975 crop.

This agreement is in the interest of both the American farmer and the American consumer. It prevents the Soviets from disrupting our markets. As we have seen over the years, disruptive and unpredictable purchases led to such problems as congressional demands for export control and the refusal of unions to handle grain shipments. We have now assured American grain producers that at planting time they will have a much more reliable indication of how large an export market there will be at harvest time. And that is good for all of us. The American livestock producer will have a better idea of his feed supply. The American consumer will know that grain will be moving overseas in a regular flow and be assured there will be adequate food at home.

We have transformed occasional and erratic customers into regular customers. We have averted an outcry every year that the Russians are coming to make secret purchases in our markets. The private marketing system has been preserved. Record exports are moving right now.

The alternatives were and are intolerable. The prospects of massive pileups at docks with crops backed up all the way to local elevators is totally unacceptable.

I ask you: Should we run an obstacle course through Congress and other roadblocks each year on whether to sell any grain to the Soviet Union? I say no, and I hope you do, too. Should we turn our crop over to a Government control board to manage and sell overseas? I emphatically say no, and I hope you do, too.

Some in Congress and elsewhere are now questioning the wisdom of grain sales to the Soviet Union because the Soviets are intervening militarily in the newly independent African country of Angola. Our commitment to work with all nations, including the Soviet Union, to lessen the risk of war and to achieve greater stability is a sincere and constructive undertaking. But it is a commitment which must be honored by both sides. There cannot be a lessening of world tension if the Soviet Union, by military support and other means, attempts to expand its sphere of influence thousands and thousands of miles from its borders.

The United States will not cease its efforts, diplomatic and otherwise, to stabilize the military situation in Angola and promote a quick and peaceful settlement. We favor an immediate cease-fire and an end to all—all, all outside intervention and a government of national unity permitting the solution of the Angolan problem by the Angolans themselves.

We are working closely with many other African countries to bring this about—countries that realize, perhaps better than the United States Congress, that our continued effort to counter Soviet and Cuban action is crucial to any hope of a fair solution.

The Soviet Union must realize that the Soviet attempt to take unilateral advantage of the Angolan problem is inconsistent with the basic principles of U.S.-Soviet relations. If it continues, damages to our broader relations will be unavoidable.

You, the farmers of America, understand the importance of America's relations with the rest of the world. You know we cannot abdicate our responsibilities for maintaining peace and progress. I emphasize, however, that it is a serious mistake to assume that linking our export of grain to the situation in Angola would serve any useful purpose whatsoever.

In fact, withholding grain already under contract, already sold, would produce no immediate gain in diplomatic leverage. American grain, while important to the U.S.S.R., is not vital to them. The Soviet Union has survived for nearly 60 years—including years of total western economic embargo—without American grain. The impact of a grain cutoff would be felt only after a long, long period. It would not produce the needed short-term results. There is not the slightest doubt that if we tried to use grain for leverage, the Soviets could get along without American grain and ignore our views. This was emphatically and quite dramatically demonstrated by their attitude toward the U.S. Trade Act provisions of 1972 on emigration from the Soviet Union.

The linkage of grain [with] diplomacy would mean disruption and hardship for you, the farmer, a serious increase in tensions between the world's two super powers, and no effect whatsoever on Angola.

U.S.-Soviet rivalry in some areas around the world has unfortunately not ceased. The answer is to take other appropriate limited measures necessary to block and stop Soviet actions that we find unacceptable. And we will.

Now, in these complicated and controversial times it is imperative that you maintain the freedom to market crops and to find customers wherever you can. Strong agricultural exports are basic to America's farm policy and the freedom of every farmer to manage his own farm.

You should be rewarded, not punished, for producing each year much more than we consume at home. You must—and I emphasize "must"—export two-thirds of each year's wheat crop or cut back production. You must export 50 percent of your soybeans or cut back production. You must be able to export more than 55 percent of your rice crop or cut back production. You must be able to export 40 percent of your cotton or cut back production. You must export at least one-fourth of your feed grain or cut back production.

In short, you must export to keep farming profitable in America. You must export if we are to keep a favorable balance of United States international trade. You must export if you are to prosper and the world is to eat. This is the farm policy that is bringing new life to our rural countryside.

Food, as all of you know, is now our number one source of foreign exchange. Farm exports last year totaled nearly $22 billion. Our favorable $12 billion balance in international agricultural trade offsets deficits in nonagricultural trade. It strengthens the American dollar abroad. This helps to pay for the petroleum and other imports that are vitally essential to maintain America's high standard of living.

We have heard much in the 1970's of petropower, the power of those nations with vast exportable petroleum resources. Today, let us consider a different kind of power—agripower, the power to grow.

Agripower is the power to maintain and to improve the quality of life in a new world where our fate is interdependent with the fate of others in this globe. People throughout the world can reduce the consumption of petroleum with some sacrifice, but they cannot reduce the consumption of food without widespread starvation.

Indeed, the world's population will nearly double by the year 2000. By coping with hunger, we can assure a better future for all the peoples of the world. General George C. Marshall, in outlining his European recovery plan

at Harvard University in 1947, said that "our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos." General Marshall's words are today reflected in our foreign policy.

The credibility of the United States—our credibility around the world—rests upon our vast resources as much as our defenses. As we assess our strength for peace, America's farming families stand shoulder to shoulder with our men and women in uniform as they do the job for all of us. And we thank you for your contribution.

You and I share the same ideals, the same principles, and the same commitment—a confident belief in the land and in American agriculture. We believe in ourselves. We believe in the value of the land and the people who work with the land. And we believe in our country.

You stand for hard, fruitful work—and so do I. You stand for the basic morality and dependable qualities that have long characterized rural America—and so do I. You stand for lean, responsive, fiscally sound government—and so do I. You favor tax cuts balanced with cuts in government spending—and so do I. You believe that farmers should be able to make a good living—and so do I. You believe in the minimum of government controls on agriculture—and so do I. You believe in the elimination of unnecessary bureaucratic regulations that cause inefficiency and losses—and so do I. I welcome, for instance, the letter from your Federation in support of my legislation to modify regulations that prohibit backhaul by farm trucks. With your help, we can and we will stop this frustrating, unnecessary waste. You believe in a farm policy that builds strong markets at home and abroad—and so do I.

Some nations with other political philosophies have virtually the same tractors and the same combines that you use in your fields, but their farmers do not have the same incentives. They don't have the greatest piece of farm machinery ever built—free enterprise. And how fortunate we are.

If we take freedom and enterprise away from the American farmer, we take food out of the mouths of millions and millions at home and abroad. Your exports in the 1970's are 2½ times as much as the corresponding years in the 1960's. Surpluses that once piled up in bins and warehouses, depressing your prices, are not around anymore. Let us work together to keep it that way in the future.

You are earning your income from a free market, not from a government check financed by the taxpayer. Let us continue this vigorous market-oriented free enterprise agriculture for the benefits today as well as in the future.

We need—and thank goodness we have—a fighting Secretary of Agriculture

in Earl Butz. You don't know how he fights for you. You don't know how he sells for you. You don't know all the things he does, literally night and day, for you. He is the advocate of profitable food production, the advocate of the farmer, and the advocate of fair play. And I want to thank you, Earl, for the great job you have done for them and for the country.

I share your pride in the new strength of agriculture. You have made America the source of life-sustaining food production in a world that is increasingly short of food.

We, through your efforts, have provided $25 billion in Food for Peace over the last two decades, the last 20 years. In the last 10 years we have furnished—the United States, through your efforts, furnished 80 percent of the food aid in the entire world. And during this Bicentennial Year, we will ship approximately $1 billion worth of commodities under the Food for Peace program.

At home, you are supplying the American people with food at a far smaller share of their income than anywhere else throughout the world. And I compliment you for it. You are not making an undue profit at the consumer's expense. While the price of bread, for example, went up nearly 11 cents a loaf over the last 3 years, wheat prices added only 1½ cents per loaf; nonfarm costs added more than 9 cents. I wish I had Earl Butz' loaf of bread here to illustrate it. [*Laughter*]

Let us never forget that America's farmers must profit if America is to profit. There must be enough income for you to replace machinery, conserve and enrich the soil, and adopt new techniques and buy essential supplies. The continuity of our farm families is vital. Therefore, I want you to be the first to know that when Congress reconvenes, I will propose changes in our tax laws to revise family estate taxes.

I want this continuity preserved. I want this done so that farms can be handed down from generation to generation without the forced liquidation of family enterprises. I know from my many personal friends in agriculture, too much labor, too much love go into the development of a paying farm to dismantle it with every new generation.

It is no exaggeration to say that the fate of America in our third century and of all civilization depends on you. I have faith in you, in all the farming families of America, and in your federation.

Let there go forth from this meeting today the Bicentennial message that the past is prologue to an even better future. America, with its greatest material and human resources ever achieved by any nation, has not forgotten the spirit of "can do." We can do, and we in America will do as we have in the past.

The American farmer died for freedom on the bridge of Concord 200 years ago. The least that America can do today is to let the farmer live in freedom from the stifling interference and control of big government.

If there is one thing we can all be certain of, it is this: A government big enough to give us everything we want is a government big enough to take from us everything we have.

Together, let us restore to all Americans a new confidence in which people hunger for righteousness as well as for food. In the words of the New Testament, "Blessed *are* they which do hunger and thirst after righteousness: for they shall be filled."

Thank you very, very much.

NOTE: The President spoke at 11:05 a.m. in Kiel Auditorium. He was introduced by William J. Kuhfuss, president of the federation.

9

Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *January 6, 1976*

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of the uncommitted balances of the Rehabilitation Loan Fund administered by the Department of Housing and Urban Development. In addition, I am reporting nine new deferrals totalling $669.8 million in budget authority and eleven changes to deferrals previously transmitted that increase the amount deferred by $17.3 million.

The activities financed by the Rehabilitation Loan Fund are also eligible for support under the Community Development Block Grant Program. Experience has now shown that block grant recipients are using—as was the intent of the Housing and Community Development Act of 1974—their grants to support rehabilitation activities. Approval of this rescission, therefore, will result in expenditure savings of $18.4 million this year and $34.0 million in the transition quarter and 1977 without adverse effect on the availability of housing rehabilitation assistance.

Seven of the nine new deferrals are routine in nature and affect programs of the Departments of Defense, State, and Transportation and the Interstate Commerce Commission.

The remaining two new deferrals and all eleven revised deferrals are for pro-

grams of the Department of Health, Education, and Welfare. The new deferrals establish and the revised deferrals extend through the third quarter funding levels that differ from the general levels allowed by the continuing resolution. In so doing, these deferrals preserve—until enactment of the regular appropriations—the possibility of conducting the reported programs in 1976 at the levels I have recommended and, in four cases, at the level the Congress has recommended.

The details of the proposed rescission and the deferrals are contained in the attached reports.

GERALD R. FORD

The White House,
January 6, 1976.

NOTE: The attachments detailing the rescission and deferrals are printed in the Federal Register of January 9, 1976 (41 FR 1702).

10

Remarks During a Visit to the President Ford Committee Headquarters. *January 7, 1976*

THANK YOU very much, Bo, and thank all of you. I have had an opportunity to meet many of you, and I hope that before I leave I will have an opportunity to shake hands and meet the ones that I haven't known before.

First, let me thank Bo and all of you for the fine job you have been doing. I think we have got a fine, in fact, a great chairman of the President Ford Committee in Bo Callaway. I don't want to start mentioning the names of all the other great people, but I consider you all an outstanding, excellent team in every respect, and I appreciate it very much.

The thing that I have noticed—and I meet with Bo weekly—is the steady growth from a small base to, I think, an organization that is going to be very effective.

I like the integrity of the organization. I like the teamwork of the organization. You work together and you are working for a cause that I know you believe in. It is a cause that I think is in the best interest of the United States. It is a cause that will be proven to be right both at home and abroad.

We have gone through a tough 12 months or more. I could enumerate the difficulties that have faced us as a nation and myself as a President and this administration. We haven't lost our cool. We have done what is right. And the

net result is good today—not as good as we want it, not as good as it is going to be.

As I look down the path in preparation for the State of the Union Message and look back to where we were a year ago, we have made great strides forward. But the most important thing is the hope that we can convey to the older generation, the middle generation that is doing the work in the factories and the fields and in the gas stations and the like, the group that is in college, and the younger group that is just getting started in the educational process. We can and will offer hope to all segments of our society—the poor, the rich, the handicapped. We will do a job that will make everybody proud to be an American and proud of America.

In the political arena in which we are operating, we can talk about the headway we have made and the expectations that are down the road, but we know from past experience that a good organization such as you have here, that you are all a part of, will make a meaningful difference, whether it is in New Hampshire or Massachusetts or Florida or any one of the other States where we either have a primary or whether we have a convention.

This is a group that I am proud of. I know you will do the job. And I pledge to each and every one of you that we will work in the administration, if necessary, 24 hours a day to have a program that you can go out and sell that is in the best interests of 215 million Americans.

I notice that there are a few who were in New Hampshire or maybe Massachusetts or Florida, and we are glad they are out there in the field working, but what you do here in this facility under Bo's leadership is meaningful to us, to all of you, and to the country as a whole.

Let me thank you again for the opportunity to see so many of you, meet so many of you, and to express my appreciation for your efforts on behalf of the administration, myself, as well as the country.

Thank you very much.

NOTE: The President spoke at 3:15 p.m. at the offices located at 1828 L Street, NW.

11

Remarks to Members of the Advisory Committee for Trade Negotiations. *January 8, 1976*

IT IS my understanding that you have all been appropriately sworn in by the Vice President, that he spoke to you all for a few minutes, and then you have had

the benefit of several of my old friends in the Congress, Barber Conable and Al Ullman.

I want to thank you very, very much—and I know you come from a very diverse group in our society—for agreeing to serve in this advisory capacity which I consider to be extremely important, and I know that your aid and assistance will be invaluable to Fred Dent, who has left the Department of Commerce and taken on a very, very essential job as far as our country is concerned, under the Trade Act of 1974.

That act, as you have been told or know, calls upon a group such as the one that you are a part of, giving a wide range of information, advice, counsel to our negotiating team and our objectives in the process under the law. And I am certain that Fred Dent, Clayton Yeutter, and Bill Walker [1] will be helped immensely by the input that will come from all of you.

I can assure you that we intend to carry out the letter and the intent of the act. The law is quite specific in many, many instances. It is important in our relations in the executive branch to work with the Congress in legislation of this kind.

I personally feel very strongly concerning the multilateral trade negotiations under the legislation. The activities in Geneva will be significant. I have always supported, in the days that I was in the Congress, efforts at trying to reduce and, in some cases, eliminate trade barriers.

It is even more important as I look at it today because our globe is becoming a number of interdependent nations and we can't live alone under protectionism in the United States.

It is my feeling that if we do our job well, the American people, regardless of whether they are in business or labor or agriculture or otherwise, will support what all of you are trying to do in working with Fred and his advisers in Geneva.

At the economic summit that I attended in October in Rambouillet, the leaders from the others countries that were there and I agreed that to resort at this time to new trade barriers would weaken our prospects in this country and in those countries for sustained economic recovery.

The American farmers, the American workers, the American businessmen have demonstrated a capacity to successfully compete throughout the world, and the trade negotiations are a way of implementing it so that we can benefit more from our capacity as workers, businessmen, farmers.

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[1] Special Representative for Trade Negotiations and Deputy Special Representatives, respectively.

It is our approach to the multilateral trade negotiations to commit to improving the world trading system in a way that will enhance and further the interests of all Americans. I have not mentioned consumers, but the efforts that will be made on our behalf for consumers supplementing that of businessmen, workers, and farmers will be extremely important.

Because I believe that these negotiations offer the best prospect for an improved world trading system, I am determined to resist, within our own country and worldwide, trade restrictions. While recession, unemployment, and inflation have intensified protectionist pressures in many, many areas in this country, as well as in other countries, I think it is extremely important that for the betterment of all that we resist those pressures.

As I told the American Farm Bureau Federation convention in St. Louis on Monday, American agricultural exports are essential to a thriving American economy. Our exports of manufactured goods, now 68 percent of all U.S. exports, are another dynamic factor which contribute very significantly to domestic jobs, those jobs here in the United States.

As a Michigander, I am especially proud of the strength and competitiveness under some difficult circumstances of the American auto industry, compared to others. I don't believe that we can sit idly by in any industry in any segment of our society and let these pressures pick us off one by one. We can stand together, expand our trade, improve the opportunities at home for all parts of our society, and become, as we move ahead, an even greater leader in the world economic picture.

I thank you for your help and assistance, and I wish you well in the information and the guidance and the stimulation that you can give Fred Dent and his associates.

Thank you very, very much.

NOTE: The President spoke at 2:52 p.m. in the Family Theater at the White House.

12

Statement on the Death of Premier Chou En-lai of the People's Republic of China. *January 8, 1976*

PREMIER Chou En-lai will be long remembered as a remarkable leader who has left his imprint not only on the history of modern China but also on the world scene.

We Americans will remember him especially for the role he played in building a new relationship between the People's Republic of China and the United States. We are confident that this relationship will continue to develop on the foundation of understanding and cooperation which he helped to establish.

The United States offers its condolences to the Government and people of the People's Republic of China.

NOTE: Chou En-lai was Premier from 1949 until his death in Peking on January 8.

13

Memorandum on Appointing the Chairman of the Interdepartmental Savings Bonds Committee. *January 9, 1976*

[Dated January 8, 1976. Released January 9, 1976]

Memorandum for the Heads of Departments and Agencies

I have appointed Secretary of Interior Thomas S. Kleppe as Chairman of the Interdepartmental Savings Bonds Committee.

The Savings Bonds Program constitutes the least inflationary way the Treasury can borrow to finance Federal programs. More than $67 billion in Savings Bonds are held by Americans. This is over 20 percent of the privately held portion of the public debt.

It is entirely appropriate that Federal employees take leadership responsibility in the furtherance of the Savings Bonds Program through the Payroll Savings Plan. We must set the example for all Americans to follow.

Secretary Kleppe and members of the Interdepartmental Savings Bonds Committee have a special duty to see that the Departments and Agencies which they head achieve and maintain a high record of employee participation in the Savings Bonds Program.

Secretary Kleppe has my full support as he undertakes this new responsibility. I know he can count on your personal interest and cooperation.

GERALD R. FORD

14

Remarks Upon Receiving the National Education Association's Bicentennial Commemorative Plaque. *January 9, 1976*

LET ME thank you, Dr. Wise and Jim Harris, for the Bicentennial commemorative plaque which we will appropriately put in one of my little study rooms in the back here. It is very beautiful, and it is very greatly appreciated by me.

I was thinking this morning about the NEA. I have had a lot of contact with the MEA in Michigan, of course, and it is a very fine organization. I feel very strongly that we are fortunate in this country, some 200 years, of having adopted almost from the very outset a universal education. And we are the beneficiaries, you and myself along with millions of others, of that concept. I think it is something we have to maintain and expand. I believe it is good for the students. I think it is good for teachers. I think it is good for the country.

And I might just switch a bit on the Bicentennial. I can imagine teachers have a real inspiration in the Bicentennial Year to talk about 200 years of history, but at the same time to talk about the next century and what it can do to make that next 100 years an even more fruitful experience for 215-plus million people. We have got a lot to talk about, both in the past as well as in the future, and I should think teachers should have an exciting year in 1976.

Thank you.

NOTE: The President spoke at 12:34 p.m. in the Oval Office at the White House. He received the plaque from Helen D. Wise and James A. Harris, past presidents of the National Education Association.

15

Letter Accepting the Resignation of Secretary of Labor John T. Dunlop. *January 14, 1976*

Dear John:

It was with the deepest regret that I received your letter of January 13, 1976, indicating your decision to resign as Secretary of Labor and Coordinator of the President's Labor-Management Committee.

Although I understand your reasons for making this decision and accept your resignation, you should know that I do so with very great reluctance.

During the eleven months you have served as Secretary of Labor, you have demonstrated your strong devotion to public service and your deep understanding of labor issues in the country. Your contributions to the development of a

sound set of policies and organization for the Department of Labor have been both extensive and effective. You have attracted to the Department a strong cadre of top quality administrators, and as you leave, you can take great pride in the fact that the Department is well equipped to deal with the complex problems that confront it daily.

Your role in my Administration, however, has encompassed far more than just leadership of the Department of Labor. Your deep involvement in the deliberations of the Economic Policy Board and your untiring and diligent efforts with the Labor-Management Committee have been of enormous value not only to me but to your colleagues in those endeavors. You will be greatly missed by all who have had the privilege of working with you.

As you leave the Administration, I want you to know you do so with my deepest gratitude for your dedicated service to me and to the Nation. You have richly earned the admiration and respect of your fellow citizens.

Betty joins me in wishing you and Dorothy the very greatest personal happiness and good fortune as you return to private life.

With warmest personal regards,

Sincerely,

GERALD R. FORD

[The Honorable John T. Dunlop, Secretary of Labor, Washington, D.C. 20210]

NOTE: Secretary Dunlop's letter of resignation read as follows:

Dear Mr. President:

This letter records my resignation as Secretary of Labor and Coordinator of the President's Labor-Management Committee. I have appreciated the opportunity once again to try to be of service to the country and to you, Mr. President, to the best of my ability. Your willingness to listen to divergent views and numerous courtesies to me, I shall always cherish.

Respectfully yours,

JOHN T. DUNLOP

[The President, The White House, Washington, D.C.]

16

Remarks Announcing Intention To Nominate Anne L. Armstrong To Be United States Ambassador to the United Kingdom. *January 14, 1976*

LET ME say just a word, if I might. I am extremely pleased and very, very happy about the fact that Anne Armstrong is going to Great Britain to represent the United States as our Ambassador to the Court of St. James.

I can add that Secretary Kissinger likewise feels that she will do a superb job, as I do. And I should add a postscript. Anne, you will have to give some of the

credit for this appointment to Betty, who keeps persistently reminding me that we need the most qualified and extremely able women representing us, whether at home or abroad.

So, I think we have unanimity that you will do a superb job. I know that you will be well received in Great Britain. And I think what you will do will be a credit to you, as well as to our country.

MRS. ARMSTRONG. Thank you, Mr. President. Thank you, Betty. Thank you, Henry.

I am very pleased. I am very grateful to you, Mr. President, for this honor, which I consider the greatest one of my life. And if I merit the confidence of the Senate, as I have yours, I think I have a double opportunity. I want to do a good job as a person in strengthening the ties between our two countries, which are unique both historically and in the present, and secondly, I don't downplay the fact that I am a woman. I think it is just great that an American President is the first one to nominate a woman to be Ambassador to the Court of St. James. And because of that, I am going to work doubly hard to be a credit to all women, and to American women in particular.

And finally, I am particularly looking forward to this position, because my other jobs in government have caused me to be separated from my family a lot. This time most of our children will be with us at least part of the time, and my husband has arranged so that he can go with me. I think that he is going to be an asset to our country, and I know that he is going to be a joy and a help to me.

Thank you very much.

THE PRESIDENT. Congratulations.

MRS. ARMSTRONG. Thank you very much, Mr. President.

THE PRESIDENT. I'll try and drop over and see you one of these days.

MRS. ARMSTRONG. I will count on that.

Now, I would be delighted to answer some questions.

THE PRESIDENT. Henry has got a press conference of his own. And I know he is almost late, so if you will excuse him.

MRS. ARMSTRONG. I will see you later.

You realize that I can't get into matters of substance out of respect to the Senate, but I would be delighted to answer any questions that don't have to do with my views on foreign policy at this time.

REPORTER. Have you ever been to London before?

MRS. ARMSTRONG. When I was 21 years old, Fran [Frances Lewine, Associated Press]. But luckily, Great Britain is part of our bones as Americans. We

learn about it from childhood. And though I know there is still plenty left for me to study, I feel confident that I can do a good job over there.

Q. Mrs. Armstrong, on the lower level of women in government, do you think that we are doing any sort of a job in getting women appointed to boards and commissions and that sort of thing?

MRS. ARMSTRONG. Well, I think that this President, and his wonderful Betty—he claims she prods him—I think they have done a fine job. None of us is ever satisfied that it comes fast enough. But yes, I think that great progress has been made.

I remember when the President had faith in Carla Hills, that she could do a fine job as a Cabinet member, as head of HUD. Her qualifications were questioned by a number of people at the time, but to me, the President's confidence in her has been completely justified. I think she is doing a fine job.

THE PRESIDENT. I might add that, of course, we have as the head of the NLRB, one of the most important agencies or commissions that we have in the country—is headed by Betty Murphy. And to put a woman in those very delicate relationships between labor and management with the great responsibility that the NLRB has, I think, proves our faith in persons such as Betty Murphy. And I am certain that she has done a fine job and will continue to do a fine job.

Q. Mr. President, how about in all those boards and commissions where you named 17 men and 2 women?

THE PRESIDENT. I think we are doing quite well, Fran, and we are going to continue to do better.

MRS. ARMSTRONG. Did you know that you are the only President to have had two women in your Cabinet? We didn't overlap, but I was a member of your Cabinet and Carla Hills is now.

THE PRESIDENT. Both very attractive, too.

It is nice to see you all.

REPORTER. Thank you.

NOTE: The President spoke at 10:45 a.m. in the Oval Office at the White House.

17

Statement on the Anniversary of the Birth of Martin Luther King, Jr. *January 14, 1976*

ON THE occasion of the 47th anniversary of the birth of Dr. Martin Luther King, Jr., the Nation is once again reminded of his eloquent commitment to the cause of civil rights and of his forceful leadership in that cause.

As we observe this anniversary, our thoughts are with his family. We also pledge our renewed dedication to the struggle for equality and well-being for all our citizens, to which Dr. King so courageously devoted his life.

NOTE: The White House announced that a copy of the statement was sent to Coretta Scott King in connection with events honoring her late husband on January 14–15 in Atlanta, Ga.

On Thursday, January 15, the President telephoned Mrs. King in Atlanta to extend his and Mrs. Ford's best wishes to the King family.

18

Statement on the Death of Prime Minister Tun Abdul Razak of Malaysia. *January 15, 1976*

I WAS saddened to learn of the untimely death of Malaysian Prime Minister Tun Abdul Razak on January 14. Prime Minister Razak, distinguished Southeast Asian leader, was well known and respected for his vision and dedication to peace. Malaysia's many friends will feel his loss deeply. The American people join me in extending condolences and sympathy to his widow and to the Government and people of Malaysia.

I have designated our Ambassador to Malaysia, Francis T. Underhill, Jr., as my special representative at Prime Minister Razak's funeral in Kuala Lumpur January 16.

NOTE: Tun Abdul Razak was Prime Minister from 1970 until his death in Kuala Lumpur.

19

Address Before a Joint Session of the Congress Reporting on the State of the Union. *January 19, 1976*

Mr. Speaker, Mr. Vice President, Members of the 94th Congress, and distinguished guests:

As we begin our Bicentennial, America is still one of the youngest nations in recorded history. Long before our forefathers came to these shores, men and women had been struggling on this planet to forge a better life for themselves and their families.

In man's long, upward march from savagery and slavery—throughout the nearly 2,000 years of the Christian calendar, the nearly 6,000 years of Jewish reckoning—there have been many deep, terrifying valleys, but also many bright and towering peaks.

One peak stands highest in the ranges of human history. One example shines forth of a people uniting to produce abundance and to share the good life fairly and with freedom. One union holds out the promise of justice and opportunity for every citizen: That union is the United States of America.

We have not remade paradise on Earth. We know perfection will not be found here. But think for a minute how far we have come in 200 years.

We came from many roots, and we have many branches. Yet all Americans across the eight generations that separate us from the stirring deeds of 1776, those who know no other homeland and those who just found refuge among our shores, say in unison:

I am proud of America, and I am proud to be an American. Life will be a little better here for my children than for me. I believe this not because I am told to believe it, but because life has been better for me than it was for my father and my mother. I know it will be better for my children because my hands, my brains, my voice, and my vote can help make it happen.

It has happened here in America. It has happened to you and to me.

Government exists to create and preserve conditions in which people can translate their ideas into practical reality. In the best of times, much is lost in translation. But we try. Sometimes we have tried and failed. Always we have had the best of intentions.

But in the recent past, we sometimes forgot the sound principles that guided us through most of our history. We wanted to accomplish great things and

solve age-old problems. And we became overconfident of our abilities. We tried to be a policeman abroad and the indulgent parent here at home.

We thought we could transform the country through massive national programs, but often the programs did not work. Too often they only made things worse. In our rush to accomplish great deeds quickly, we trampled on sound principles of restraint and endangered the rights of individuals. We unbalanced our economic system by the huge and unprecedented growth of Federal expenditures and borrowing. And we were not totally honest with ourselves about how much these programs would cost and how we would pay for them. Finally, we shifted our emphasis from defense to domestic problems while our adversaries continued a massive buildup of arms.

The time has now come for a fundamentally different approach—for a new realism that is true to the great principles upon which this Nation was founded.

We must introduce a new balance to our economy—a balance that favors not only sound, active government but also a much more vigorous, healthy economy that can create new jobs and hold down prices.

We must introduce a new balance in the relationship between the individual and the government—a balance that favors greater individual freedom and self-reliance.

We must strike a new balance in our system of federalism—a balance that favors greater responsibility and freedom for the leaders of our State and local governments.

We must introduce a new balance between the spending on domestic programs and spending on defense—a balance that ensures we will fully meet our obligation to the needy while also protecting our security in a world that is still hostile to freedom.

And in all that we do, we must be more honest with the American people, promising them no more than we can deliver and delivering all that we promise.

The genius of America has been its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity.

History and experience tells us that moral progress cannot come in comfortable and in complacent times, but out of trial and out of confusion. Tom Paine aroused the troubled Americans of 1776 to stand up to the times that try men's souls because the harder the conflict, the more glorious the triumph.

Just a year ago I reported that the state of the Union was not good. Tonight, I report that the state of our Union is better—in many ways a lot better—but still not good enough.

To paraphrase Tom Paine, 1975 was not a year for summer soldiers and sunshine patriots. It was a year of fears and alarms and of dire forecasts—most of which never happened and won't happen.

As you recall, the year 1975 opened with rancor and with bitterness. Political misdeeds of the past had neither been forgotten nor forgiven. The longest, most divisive war in our history was winding toward an unhappy conclusion. Many feared that the end of that foreign war of men and machines meant the beginning of a domestic war of recrimination and reprisal. Friends and adversaries abroad were asking whether America had lost its nerve. Finally, our economy was ravaged by inflation—inflation that was plunging us into the worse recession in four decades. At the same time, Americans became increasingly alienated from big institutions. They were steadily losing confidence, not just in big government but in big business, big labor, and big education, among others. Ours was a troubled land.

And so, 1975 was a year of hard decisions, difficult compromises, and a new realism that taught us something important about America. It brought back a needed measure of common sense, steadfastness, and self-discipline.

Americans did not panic or demand instant but useless cures. In all sectors, people met their difficult problems with the restraint and with responsibility worthy of their great heritage.

Add up the separate pieces of progress in 1975, subtract the setbacks, and the sum total shows that we are not only headed in a new direction, a direction which I proposed 12 months ago, but it turned out to be the right direction.

It is the right direction because it follows the truly revolutionary American concept of 1776, which holds that in a free society the making of public policy and successful problemsolving involves much more than government. It involves a full partnership among all branches and all levels of government, private institutions, and individual citizens.

Common sense tells me to stick to that steady course.

Take the state of our economy. Last January, most things were rapidly getting worse. This January, most things are slowly but surely getting better.

The worst recession since World War II turned around in April. The best cost-of-living news of the past year is that double-digit inflation of 12 percent or higher was cut almost in half. The worst—unemployment remains far too high.

Today, nearly 1,700,000 more Americans are working than at the bottom of the recession. At year's end, people were again being hired much faster than they were being laid off.

Yet, let's be honest. Many Americans have not yet felt these changes in their daily lives. They still see prices going up far too fast, and they still know the fear of unemployment.

We are also a growing nation. We need more and more jobs every year. Today's economy has produced over 85 million jobs for Americans, but we need a lot more jobs, especially for the young.

My first objective is to have sound economic growth without inflation.

We all know from recent experience what runaway inflation does to ruin every other worthy purpose. We are slowing it. We must stop it cold.

For many Americans, the way to a healthy, noninflationary economy has become increasingly apparent. The Government must stop spending so much and stop borrowing so much of our money. More money must remain in private hands where it will do the most good. To hold down the cost of living, we must hold down the cost of government.

In the past decade, the Federal budget has been growing at an average rate of over 10 percent a year. The budget I am submitting Wednesday cuts this rate of growth in half. I have kept my promise to submit a budget for the next fiscal year of $395 billion. In fact, it is $394.2 billion.

By holding down the growth of Federal spending, we can afford additional tax cuts and return to the people who pay taxes more decisionmaking power over their own lives.

Last month I signed legislation to extend the 1975 tax reductions for the first 6 months of this year. I now propose that effective July 1, 1976, we give our taxpayers a tax cut of approximately $10 billion more than Congress agreed to in December.

My broader tax reduction would mean that for a family of four making $15,000 a year, there will be $227 more in take-home pay annually. Hard-working Americans caught in the middle can really use that kind of extra cash.

My recommendations for a firm restraint on the growth of Federal spending and for greater tax reduction are simple and straightforward. For every dollar saved in cutting the growth in the Federal budget, we can have an added dollar of Federal tax reduction.

We can achieve a balanced budget by 1979 if we have the courage and the wisdom to continue to reduce the growth of Federal spending.

One test of a healthy economy is a job for every American who wants to work. Government—our kind of government—cannot create that many jobs. But the Federal Government can create conditions and incentives for private business and industry to make more and more jobs.

Five out of six jobs in this country are in private business and in industry. Common sense tells us this is the place to look for more jobs and to find them faster. I mean real, rewarding, permanent jobs.

To achieve this we must offer the American people greater incentives to invest in the future. My tax proposals are a major step in that direction. To supplement these proposals, I ask that Congress enact changes in Federal tax laws that will speed up plant expansion and the purchase of new equipment. My recommendations will concentrate this job-creation tax incentive in areas where the unemployment rate now runs over 7 percent. Legislation to get this started must be approved at the earliest possible date.

Within the strict budget total that I will recommend for the coming year, I will ask for additional housing assistance for 500,000 families. These programs will expand housing opportunities, spur construction, and help to house moderate- and low-income families.

We had a disappointing year in the housing industry in 1975. But with lower interest rates and available mortgage money, we can have a healthy recovery in 1976.

A necessary condition of a healthy economy is freedom from the petty tyranny of massive government regulation. We are wasting literally millions of working hours costing billions of taxpayers' and consumers' dollars because of bureaucratic redtape. The American farmer, who now feeds 215 million Americans, but also millions worldwide, has shown how much more he can produce without the shackles of government control.

Now, we badly need reforms in other key areas in our economy: the airlines, trucking, railroads, and financial institutions. I have submitted concrete plans in each of these areas, not to help this or that industry, but to foster competition and to bring prices down for the consumer.

This administration, in additon, will strictly enforce the Federal antitrust laws for the very same purposes.

Taking a longer look at America's future, there can be neither sustained growth nor more jobs unless we continue to have an assured supply of energy to run our economy. Domestic production of oil and gas is still declining. Our dependence on foreign oil at high prices is still too great, draining jobs and dollars away from our own economy at the rate of $125 per year for every American.

Last month, I signed a compromise national energy bill which enacts a part of my comprehensive energy independence program. This legislation was late,

not the complete answer to energy independence, but still a start in the right direction.

I again urge the Congress to move ahead immediately on the remainder of my energy proposals to make America invulnerable to the foreign oil cartel.

My proposals, as all of you know, would reduce domestic natural gas shortages; allow production from Federal petroleum reserves; stimulate effective conservation, including revitalization of our railroads and the expansion of our urban transportation systems; develop more and cleaner energy from our vast coal resources; expedite clean and safe nuclear power production; create a new national energy independence authority to stimulate vital energy investment; and accelerate development of technology to capture energy from the Sun and the Earth for this and future generations.

Also, I ask, for the sake of future generations, that we preserve the family farm and family-owned small business. Both strengthen America and give stability to our economy. I will propose estate tax changes so that family businesses and family farms can be handed down from generation to generation without having to be sold to pay taxes.

I propose tax changes to encourage people to invest in America's future, and their own, through a plan that gives moderate-income families income tax benefits if they make long-term investments in common stock in American companies.

The Federal Government must and will respond to clear-cut national needs—for this and future generations.

Hospital and medical services in America are among the best in the world, but the cost of a serious and extended illness can quickly wipe out a family's lifetime savings. Increasing health costs are of deep concern to all and a powerful force pushing up the cost of living. The burden of catastrophic illness can be borne by very few in our society. We must eliminate this fear from every family.

I propose catastrophic health insurance for everybody covered by Medicare. To finance this added protection, fees for short-term care will go up somewhat, but nobody after reaching age 65 will have to pay more than $500 a year for covered hospital or nursing home care, nor more than $250 for 1 year's doctor bills.

We cannot realistically afford federally dictated national health insurance providing full coverage for all 215 million Americans. The experience of other countries raises questions about the quality as well as the cost of such plans. But I do envision the day when we may use the private health insurance system

to offer more middle-income families high quality health services at prices they can afford and shield them also from their catastrophic illnesses.

Using resources now available, I propose improving the Medicare and other Federal health programs to help those who really need protection—older people and the poor. To help States and local governments give better health care to the poor, I propose that we combine 16 existing Federal programs, including Medicaid, into a single $10 billion Federal grant.

Funds would be divided among States under a new formula which provides a larger share of Federal money to those States that have a larger share of low-income families.

I will take further steps to improve the quality of medical and hospital care for those who have served in our Armed Forces.

Now let me speak about social security. Our Federal social security system for people who have worked and contributed to it for all their lives is a vital part of our economic system. Its value is no longer debatable. In my budget for fiscal year 1977, I am recommending that the full cost-of-living increases in the social security benefits be paid during the coming year.

But I am concerned about the integrity of our Social Security Trust Fund that enables people—those retired and those still working who will retire—to count on this source of retirement income. Younger workers watch their deductions rise and wonder if they will be adequately protected in the future. We must meet this challenge head on. Simple arithmetic warns all of us that the Social Security Trust Fund is headed for trouble. Unless we act soon to make sure the fund takes in as much as it pays out, there will be no security for old or for young.

I must, therefore, recommend a three-tenths of 1 percent increase in both employer and employee social security taxes effective January 1, 1977. This will cost each covered employee less than 1 extra dollar a week and will ensure the integrity of the trust fund.

As we rebuild our economy, we have a continuing responsibility to provide a temporary cushion to the unemployed. At my request, the Congress enacted two extensions and two expansions in unemployment insurance which helped those who were jobless during 1975. These programs will continue in 1976.

In my fiscal year 1977 budget, I am also requesting funds to continue proven job training and employment opportunity programs for millions of other Americans.

Compassion and a sense of community—two of America's greatest strengths throughout our history— tell us we must take care of our neighbors who cannot

take care of themselves. The host of Federal programs in this field reflect our generosity as a people.

But everyone realizes that when it comes to welfare, government at all levels is not doing the job well. Too many of our welfare programs are inequitable and invite abuse. Too many of our welfare programs have problems from beginning to end. Worse, we are wasting badly needed resources without reaching many of the truly needy.

Complex welfare programs cannot be reformed overnight. Surely we cannot simply dump welfare into the laps of the 50 States, their local taxpayers, or their private charities, and just walk away from it. Nor is it the right time for massive and sweeping changes while we are still recovering from the recession.

Nevertheless, there are still plenty of improvements that we can make. I will ask Congress for Presidential authority to tighten up the rules for eligibility and benefits.

Last year I twice sought long overdue reform of the scandal-riddled food stamp program. This year I say again: Let's give food stamps to those most in need. Let's not give any to those who don't need them.

Protecting the life and property of the citizen at home is the responsibility of all public officials, but is primarily the job of local and State law enforcement authorities.

Americans have always found the very thought of a Federal police force repugnant, and so do I. But there are proper ways in which we can help to insure domestic tranquility as the Constitution charges us.

My recommendations on how to control violent crime were submitted to the Congress last June with strong emphasis on protecting the innocent victims of crime. To keep a convicted criminal from committing more crimes, we must put him in prison so he cannot harm more law-abiding citizens. To be effective, this punishment must be swift and it must be certain.

Too often, criminals are not sent to prison after conviction but are allowed to return to the streets. Some judges are reluctant to send convicted criminals to prison because of inadequate facilities. To alleviate this problem at the Federal level, my new budget proposes the construction of four new Federal facilities.

To speed Federal justice, I propose an increase this year in the United States attorneys prosecuting Federal crimes and the reinforcement of the number of United States marshals. Additional Federal judges are needed, as recommended by me and the Judicial Conference.

Another major threat to every American's person and property is the criminal carrying a handgun. The way to cut down on the criminal use of guns is not

to take guns away from the law-abiding citizen, but to impose mandatory sentences for crimes in which a gun is used, make it harder to obtain cheap guns for criminal purposes, and concentrate gun control enforcement in high-crime areas.

My budget recommends 500 additional Federal agents in the 11 largest metropolitan high-crime areas to help local authorities stop criminals from selling and using handguns.

The sale of hard drugs is tragically on the increase again. I have directed all agencies of the Federal Government to step up law enforcement efforts against those who deal in drugs. In 1975, I am glad to report, Federal agents seized substantially more heroin coming into our country than in 1974.

As President, I have talked personally with the leaders of Mexico, Colombia, and Turkey to urge greater efforts by their Governments to control effectively the production and shipment of hard drugs.

I recommended months ago that the Congress enact mandatory fixed sentences for persons convicted of Federal crimes involving the sale of hard drugs. Hard drugs, we all know, degrade the spirit as they destroy the body of their users.

It is unrealistic and misleading to hold out the hope that the Federal Government can move into every neighborhood and clean up crime. Under the Constitution, the greatest responsibility for curbing crime lies with State and local authorities. They are the frontline fighters in the war against crime.

There are definite ways in which the Federal Government can help them. I will propose in the new budget that Congress authorize almost $7 billion over the next 5 years to assist State and local governments to protect the safety and property of all their citizens.

As President, I pledge the strict enforcement of Federal laws and—by example, support, and leadership—to help State and local authorities enforce their laws. Together, we must protect the victims of crime and ensure domestic tranquility.

Last year I strongly recommended a 5-year extension of the existing revenue sharing legislation, which thus far has provided $23½ billion to help State and local units of government solve problems at home. This program has been effective with decisionmaking transferred from the Federal Government to locally elected officials. Congress must act this year, or State and local units of government will have to drop programs or raise local taxes.

Including my health care program reforms, I propose to consolidate some 59 separate Federal programs and provide flexible Federal dollar grants to help States, cities, and local agencies in such important areas as education, child

nutrition, and social services. This flexible system will do the job better and do it closer to home.

The protection of the lives and property of Americans from foreign enemies is one of my primary responsibilities as President.

In a world of instant communications and intercontinental ballistic missiles, in a world economy that is global and interdependent, our relations with other nations become more, not less, important to the lives of Americans.

America has had a unique role in the world since the day of our independence 200 years ago. And ever since the end of World War II, we have borne—successfully—a heavy responsibility for ensuring a stable world order and hope for human progress.

Today, the state of our foreign policy is sound and strong. We are at peace, and I will do all in my power to keep it that way.

Our military forces are capable and ready. Our military power is without equal, and I intend to keep it that way.

Our principal alliances with the industrial democracies of the Atlantic community and Japan have never been more solid.

A further agreement to limit the strategic arms race may be achieved.

We have an improving relationship with China, the world's most populous nation.

The key elements for peace among the nations of the Middle East now exist.

Our traditional friendships in Latin America, Africa, and Asia continue.

We have taken the role of leadership in launching a serious and hopeful dialog between the industrial world and the developing world.

We have helped to achieve significant reform of the international monetary system.

We should be proud of what America, what our country, has accomplished in these areas, and I believe the American people are.

The American people have heard too much about how terrible our mistakes, how evil our deeds, and how misguided our purposes. The American people know better.

The truth is we are the world's greatest democracy. We remain the symbol of man's aspiration for liberty and well-being. We are the embodiment of hope for progress.

I say it is time we quit downgrading ourselves as a nation. Of course, it is our responsibility to learn the right lesson from past mistakes. It is our duty to see that they never happen again. But our greater duty is to look to the future. The world's troubles will not go away.

The American people want strong and effective international and defense policies. In our constitutional system, these policies should reflect consultation and accommodation between the President and the Congress. But in the final analysis, as the framers of our Constitution knew from hard experience, the foreign relations of the United States can be conducted effectively only if there is strong central direction that allows flexibility of action. That responsibility clearly rests with the President.

I pledge to the American people policies which seek a secure, just, and peaceful world. I pledge to the Congress to work with you to that end.

We must not face a future in which we can no longer help our friends, such as Angola, even in limited and carefully controlled ways. We must not lose all capacity to respond short of military intervention.

Some hasty actions of the Congress during the past year—most recently in respect to Angola—were, in my view, very shortsighted. Unfortunately, they are still very much on the minds of our allies and our adversaries.

A strong defense posture gives weight to our values and our views in international negotiations. It assures the vigor of our alliances. And it sustains our efforts to promote settlements of international conflicts. Only from a position of strength can we negotiate a balanced agreement to limit the growth of nuclear arms. Only a balanced agreement will serve our interests and minimize the threat of nuclear confrontation.

The defense budget I will submit to the Congress for fiscal year 1977 will show an essential increase over the current year. It provides for real growth in purchasing power over this year's defense budget, which includes the cost of the all-volunteer force.

We are continuing to make economies to enhance the efficiency of our military forces. But the budget I will submit represents the necessity of American strength for the real world in which we live.

As conflict and rivalry persist in the world, our United States intelligence capabilities must be the best in the world.

The crippling of our foreign intelligence services increases the danger of American involvement in direct armed conflict. Our adversaries are encouraged to attempt new adventures while our own ability to monitor events and to influence events short of military action is undermined. Without effective intelligence capability, the United States stands blindfolded and hobbled.

In the near future, I will take actions to reform and strengthen our intelligence community. I ask for your positive cooperation. It is time to go beyond

sensationalism and ensure an effective, responsible, and responsive intelligence capability.

Tonight I have spoken about our problems at home and abroad. I have recommended policies that will meet the challenge of our third century. I have no doubt that our Union will endure, better, stronger, and with more individual freedom. We can see forward only dimly—1 year, 5 years, a generation perhaps. Like our forefathers, we know that if we meet the challenges of our own time with a common sense of purpose and conviction, if we remain true to our Constitution and to our ideals, then we can know that the future will be better than the past.

I see America today crossing a threshold, not just because it is our Bicentennial but because we have been tested in adversity. We have taken a new look at what we want to be and what we want our Nation to become.

I see America resurgent, certain once again that life will be better for our children than it is for us, seeking strength that cannot be counted in megatons and riches that cannot be eroded by inflation.

I see these United States of America moving forward as before toward a more perfect Union where the government serves and the people rule.

We will not make this happen simply by making speeches, good or bad, yours or mine, but by hard work and hard decisions made with courage and with common sense.

I have heard many inspiring Presidential speeches, but the words I remember best were spoken by Dwight D. Eisenhower. "America is not good because it is great," the President said. "America is great because it is good."

President Eisenhower was raised in a poor but religious home in the heart of America. His simple words echoed President Lincoln's eloquent testament that "right makes might." And Lincoln in turn evoked the silent image of George Washington kneeling in prayer at Valley Forge.

So, all these magic memories which link eight generations of Americans are summed up in the inscription just above me. How many times have we seen it? "In God We Trust."

Let us engrave it now in each of our hearts as we begin our Bicentennial.

NOTE: The President delivered his address at 9 p.m. in the House Chamber at the Capitol. He was introduced by Carl Albert, Speaker of the House of Representatives. The address was broadcast live on radio and television.

20

Special Message to the Congress Reporting on the Military Assistance Program. *January 20, 1976*

To the Congress of the United States:

The Foreign Assistance Act of 1974, enacted by the 93rd Congress on December 30, 1974, expresses the sense of the Congress that the policies and purposes of the military assistance program should be "reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance." Section 17(a) of the act expresses the view that the program, except for military education and training activities, "should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States."

To give effect to section 17(a) of the act, the Congress directed that I submit to the first session of the 94th Congress a detailed plan for the "reduction and eventual elimination of the present military assistance program." In the intervening period, the two foreign affairs committees are considering draft legislation that would arbitrarily terminate grant military assistance programs after September 30, 1977, unless authorized by the Congress.

I have stressed repeatedly in my messages to the Congress and in my reports to the American people, the need for constancy and continuity in our foreign policy, and, in particular, in our relationship with nations which turn to us for necessary support in meeting their most pressing security needs. Since World War II, the United States has extended such assistance to friends and allies. This policy has contributed immeasureably to the cause of peace and stability in the world. Many countries which once received grant military assistance have achieved self-sufficiency in providing for their security interests, and grant military assistance to a number of current recipients is being reduced or eliminated.

I firmly believe that grant military assistance in some form will remain a basic requirement for an effective U.S. foreign policy for the foreseeable future. In the Middle East and elsewhere, we must maintain our flexibility to respond to future assistance requirements which cannot now be reckoned with precision. It will continue to be in our interest to be able to meet the legitimate security requirements of countries who cannot shoulder the full burden of their own defense and grant assistance will continue to be needed to assist countries that provide us essential military bases and facilities. These requirements will not

disappear; they are the necessary result of the unsettled state of the world and of our role as a world power.

Nevertheless, in recognition of the expressed sense of the Congress, I have, in preparing the 1977 budget and legislative program, reexamined the policies, purposes, and scope of the military assistance program with a view to reducing or terminating any country programs no longer essential to the security and foreign policy interests of the United States. As a consequence of this review, the 1977 military assistance budget request will reflect a 28 percent reduction below the 1976 request, the termination of grant materiel assistance to Korea, and elimination of five small grant programs in Latin America. Furthermore, our preliminary estimate of the 1978 requirements indicates that additional reductions and some additional program terminations should be feasible in the absence of unfavorable security or economic development in the countries concerned.

I must emphasize, however, that offsetting increases in foreign military sales credits will be required in most instances to meet the legitimate military needs of our friends and allies at a time when much of their military equipment is reaching obsolescence and prices of new equipment are increasing drastically. Moreover, the capacities of many of these grant military aid recipients to assume additional foreign exchange costs because of reduced military aid are limited by the necessity to cope with higher oil prices as well as the impact of the recession in the developed countries on their exports. In these circumstances, I believe the interests of the United States in the continued security of these countries are better served by a gradual reduction of grant military assistance attuned to the particular circumstances of each country than by an arbitrary termination of all such assistance on a given date.

Finally, I must emphasize that in this uncertain and unpredictable era we must maintain our national strength and our national purposes and remain faithful to our friends and allies. In these times, we must not deny ourselves the capacity to meet international crises and problems with all the instruments now at our disposal. I urge the Congress to preserve the authorities in law to provide grant military aid, an instrument of our national security and foreign policy that has served the national interest well for more than 30 years.

GERALD R. FORD

The White House,
January 20, 1976.

21

Remarks Upon Signing the Fiscal Year 1977 Budget Message. *January 21, 1976*

BEFORE signing the budget, let me say a very few words concerning the budget.

I would like to say—and I mean this very specifically—I am very, very grateful to all of you who have worked so many hours, done so many things to make this budget a reality. I can't say with enough gratitude my appreciation for the fine job that all of you have done.

As we all know, the Federal budget for 1977 represents what we hope will be a very major turning point in the course followed by the Federal Government for the American people. This budget does not hold out any false promise that the Federal Government will immediately solve every problem or realize every ambition or every well-intentioned goal of the American people. Instead, it reflects on every page the common sense, the new realism, the better balance between public and private initiatives and between the various levels of government to which I referred to in my State of the Union Address. No department nor agency has been exempted from our cost-saving efforts. None has been unfairly or unreasonably treated, singled out to bear the brunt of this very major effort.

We have arrested a spending trend that increasingly threatened our national security and our national stability. We are committed to keeping the level of Federal spending within reasonable and affordable limits, but we are also committed, and committed very deeply, to achieving a better and more bountiful life for all Americans.

After a great deal of careful preparation—and all of you participated in it in one way or another, and for that we are very thankful—it is my judgment that we have struck a workable and a very honest balance. This budget proposes and promises only what we know we can deliver, nothing more and nothing less than $394.2 billion will buy for our Government and for our people.

We will be faithful to that promise with the cooperation of the Congress and the support of the American people.

In this spirit, I will be honored and pleased to sign the budget proposal for fiscal year 1977 for its appropriate submission to the Congress of the United States.

[*At this point, the President signed the message.*]

Let me add, if I might, a further comment. I alluded to it in the remarks I just made, but I have considerable appreciation of the fine job that you have all done. And I believe I know how many long hours all of you have worked. I have had the privilege of working with Jim Lynn and Paul O'Neill and Dale [McOmber] [1] and the others who are the Section Directors, but I know from what they have told me about your efforts that what they presented to me couldn't possibly have been done without what all of you have done. I know what it means in not only the hours but the personal sacrifice that you and your families have made.

You can't get the information that we have requested as quickly as we wanted it unless each of you, in one way or another, have interrupted your personal plans, interrupted your family plans, and I thank not only you but your families for being understanding. It is not an easy job. You are career people who have contributed very significantly to what I think is a fine budget, one that we can honestly and, I hope, effectively defend, not only to the Congress but to the American people.

For your efforts, for your sacrifice, for your understanding, I express my deepest gratitude and greatest appreciation.

Thank you very, very much.

NOTE: The President spoke at 9:08 a.m. at a ceremony in Room 450 at the Old Executive Office Building attended by staff members of the Office of Management and Budget.

22

Annual Budget Message to the Congress, Fiscal Year 1977. *January 21, 1976*

To the Congress of the United States:

The Budget of the United States is a good roadmap of where we have been, where we are now, and where we should be going as a people. The budget reflects the President's sense of priorities. It reflects his best judgment of how we must choose among competing interests. And it reveals his philosophy of how the public and private spheres should be related.

Accordingly, I have devoted a major portion of my own time over the last several months to shaping the budget for fiscal year 1977 and laying the groundwork for the years that follow.

[1] Director, Deputy Director, and Assistant Director for Budget Review, respectively, Office of Management and Budget.

As I see it, the budget has three important dimensions. One is the budget as an element of our economic policy. The total size of the budget and the deficit or surplus that results can substantially affect the general health of our economy—in a good way or in a bad way. If we try to stimulate the economy beyond its capacity to respond, it will lead only to a future whirlwind of inflation and unemployment.

The budget I am proposing for fiscal year 1977 and the direction I seek for the future meet the test of responsible fiscal policy. The combination of tax and spending changes I propose will set us on a course that not only leads to a balanced budget within three years, but also improves the prospects for the economy to stay on a growth path *that we can sustain*. This is not a policy of the quick fix; it does not hold out the hollow promise that we can wipe out inflation and unemployment overnight. Instead, it is an honest, realistic policy—a policy that says we can steadily reduce inflation and unemployment if we maintain a prudent, balanced approach. This policy has begun to prove itself in recent months as we have made substantial headway in pulling out of the recession and reducing the rate of inflation; it will prove itself decisively if we stick to it.

A second important dimension of the budget is that it helps to define the boundaries between responsibilities that we assign to governments and those that remain in the hands of private institutions and individual citizens.

Over the years, the growth of government has been gradual and uneven, but the trend is unmistakable. Although the predominant growth has been at the State and local level, the Federal Government has contributed to the trend too. We must not continue drifting in the direction of bigger and bigger government. The driving force of our 200-year history has been our private sector. If we rely on it and nurture it, the economy will continue to grow, providing new and better choices for our people and the resources necessary to meet our shared needs. If, instead, we continue to increase government's share of our economy, we will have no choice but to raise taxes and will, in the process, dampen further the forces of competition, risk, and reward that have served us so well. With stagnation of these forces, the issues of the future would surely be focused on who gets what from an economy of little or no growth rather than, as it should be, on the use to be made of expanding incomes and resources.

As an important step toward reversing the long-term trend, my budget for 1977 proposes to cut the rate of Federal spending growth, year to year, to 5.5%—less than half the average growth rate we have experienced in the last 10 years. At the same time, I am proposing further, permanent income tax

reductions so that individuals and businesses can spend and invest these dollars instead of having the Federal Government collect and spend them.

A third important dimension of the budget is the way it sorts out priorities. In formulating this budget, I have tried to achieve fairness and balance:

—between the taxpayer and those who will benefit by Federal spending;

—between national security and other pressing needs;

—between our own generation and the world we want to leave to our children;

—between those in some need and those most in need;

—between the programs we already have and those we would like to have;

—between aid to individuals and aid to State and local governments;

—between immediate implementation of a good idea and the need to allow time for transition;

—between the desire to solve our problems quickly and the realization that for some problems, good solutions will take more time; and

—between Federal control and direction to assure achievement of common goals and the recognition that State and local governments and individuals may do as well or better without restraints.

Clearly, one of the highest priorities for our Government is always to secure the defense of our country. There is no alternative. If we in the Federal Government fail in this responsibility, our other objectives are meaningless.

Accordingly, I am recommending a significant increase in defense spending for 1977. If in good conscience I could propose less, I would. Great good could be accomplished with other uses of these dollars. My request is based on a careful assessment of the international situation and the contingencies we must be prepared to meet. The amounts I seek will provide the national defense it now appears we need. We dare not do less. And if our efforts to secure international arms limitations falter, we will need to do more.

Assuring our Nation's needs for energy must also be among our highest priorities. My budget gives that priority.

While providing fully for our defense and energy needs, I have imposed upon these budgets the same discipline that I have applied in reviewing other programs. Savings have been achieved in a number of areas. We cannot tolerate waste in any program.

In our domestic programs, my objective has been to achieve a balance between all the things we would like to do and those things we can realistically afford to do. The hundreds of pages that spell out the details of my program proposals tell the story, but some examples illustrate the point.

I am proposing that we take steps to address the haunting fear of our elderly that a prolonged, serious illness could cost them and their children everything they have. My medicare reform proposal would provide protection against such catastrophic health costs. No elderly person would have to pay over $500 per year for covered hospital or nursing home care, and no more than $250 per year for covered physician services. To offset the costs of this additional protection and to slow down the runaway increases in federally funded medical expenses, I am recommending adjustments to the medicare program so that within the new maximums beneficiaries contribute more to the costs of their care than they do now.

My budget provides a full cost-of-living increase for those receiving social security or other Federal retirement benefits. We must recognize, however, that the social security trust fund is becoming depleted. To restore its integrity, I am asking the Congress to raise social security taxes, effective January 1, 1977, and to adopt certain other reforms of the system. Higher social security taxes and the other reforms I am proposing may be controversial, but they are the right thing to do. The American people understand that we must pay for the things we want. I know that those who are working now want to be sure that the money will be there to pay their benefits when their working days are over.

My budget also proposes that we replace 59 grant programs with broad block grants in four important areas:

—A health block grant that will consolidate medicaid and 15 other health programs. States will be able to make their own priority choices for use of these Federal funds to help low-income people with their health needs.

—An education block grant that will consolidate 27 grant programs for education into a single flexible Federal grant to States, primarily for use in helping disadvantaged and handicapped children.

—A block grant for feeding needy children that will consolidate 15 complex and overlapping programs. Under existing programs, 700,000 needy children receive no benefits. Under my program, all needy children can be fed, but subsidies for the nonpoor will be eliminated.

—A block grant that will support a community's social service programs for the needy. This would be accomplished by removing current requirements unnecessarily restricting the flexibility of States in providing such services.

These initiatives will result in more equitable distribution of Federal dollars, and provide greater State discretion and responsibility. All requirements that

States match Federal funds will be eliminated. Such reforms are urgently needed, but my proposals recognize that they will, in some cases, require a period of transition.

These are only samples. My budget sets forth many other recommendations. Some involve new initiatives. Others seek restraint. The American people know that promises that the Federal Government will do more for them every year have not been kept. I make no such promises. I offer no such illusion. This budget does not shrink from hard choices where necessary. Notwithstanding those hard choices, I believe this budget reflects a forward-looking spirit that is in keeping with our heritage as we begin our Nation's third century.

GERALD R. FORD

January 21, 1976.

NOTE: The President's message is printed in the report entitled "The Budget of the United States Government, Fiscal Year 1977" (Government Printing Office, 385 pp. plus appendix).

23

Remarks at a News Briefing on the Fiscal Year 1977 Budget. *January 21, 1976*

[Delivered January 20, 1976. Released January 21, 1976]

Good morning.

It seems to me I have seen some of you before in the last 24 hours.

Mr. Vice President, members of the Cabinet, members of the press, and guests:

Let me welcome you to this briefing on the budget this morning. I am going to break with tradition of the recent past and begin with a very few, or very limited, remarks. Then I will respond to your individual questions about the specifics in the new budget.

I might note that over a quarter of a century ago, when President Truman used to conduct similar briefings he sent up a budget for $43 billion in expenditures. His message to the Congress on that occasion was over 80 pages long, and here is a copy of it.

This year the budget is $394.2 billion, but my budget message is only four pages long. So at least we are beginning to achieve some economies in those areas over which we have some direct control. [*Laughter*] Naturally, I hope we have an equal amount of success with the Congress in this regard.

I decided to conduct this briefing myself in order to emphasize how important the new 1977 budget is to the future of the United States.

We are at a critical point in our history, a point where we can either allow Federal spending and Federal deficits to mushroom and allow our economic foundations to erode, or, on the other hand, we can decide to restrain the growth of Federal spending and restore the vitality of our private economy.

This is what I meant when I spoke last night about striking a new balance within our economy.

Let me call your attention to a few passages from this budget message that I regard as particularly important for all of us: "The combination of tax and spending changes I propose will set us on a course that not only leads to a balanced budget within three years, but also improves the prospects for the economy to stay on a growth path *that we can sustain.*"

This is not a policy of the quick fix. It does not hold out the hollow promise that we can wipe out inflation and unemployment overnight. Instead, it is an honest, realistic policy, a policy that says we can steadily reduce inflation and unemployment if we maintain a prudent, balanced approach.

In formulating this budget, I have tried to achieve fairness as well as balance between the taxpayer and those who will benefit from Federal spending, between national security and other pressing needs, and between the desires to solve our problems quickly and the realization that for some problems, good solutions will take more time.

The American people know that promises that the Federal Government will do more for them every year have not been kept. I make no such promises. I offer no such illusions. Notwithstanding these hard choices, I believe this budget reflects a forward-looking spirit that is in keeping with our heritage as we begin our Nation's third century.

With those introductory comments, I would like to turn to your questions. As you can see, the members of the Cabinet, along with the Vice President and the heads of the major independent agencies, are here. You should feel free to direct questions to them specifically. I will, of course, reserve the right to add to or, if necessary, even subtract from their answers. [*Laughter*]

With those comments, I will be glad to call on Dick Growald [Richard Growald, United Press International].

Q. Mr. President, we understand that one individual is to be named with authority and the scope of authority to handle welfare matters for the adminis-

tration, a so-called welfare czar, such as Mr. Zarb's [1] activities in the energy field. Can you please tell us about that?

THE PRESIDENT. That, of course, is a possibility, although no specific decision has been made as yet. In order to achieve our welfare reform, which is needed and necessary, we have to get some additional authority, some flexibility, from the Congress. We will ask for that authority. And once that authority is given—and I hope the Congress will respond—it is conceivable that we will appoint a so-called welfare czar.

Fran [Frances Lewine, Associated Press].

Q. Mr. President, there has been some criticism that there might be some gimmickry in your budget. Can you tell me how you square such things as a $10 billion tax cut with such things as a social security increase?

THE PRESIDENT. Well, Fran, the way in which we achieved the spending limitation of $394.2 billion was not any gimmickry whatsoever. We went through the process which produced this result by giving each department some spending limitations back in the early fall. They then had an opportunity to come forward with their programs within those departmental limitations.

I then made an evaluation in October, predicated on changed economic trends. We, therefore, were in a position to revise some of those limitations to respond to some of the departmental requests. And the net result is we have been able to take care of the older people in social security, in all Government retirement programs without any capping, so to speak.

We felt that this was the proper thing to do under the current circumstances, bearing in mind the beneficiaries as well as the failure of the Congress to act on those for the current fiscal year, and at the same time be realistic and honest in asking, for example, for additional tax increases in the Social Security Trust Fund payments. It was an even balance in seeking to impose integrity on the trust fund funding on the one hand and benefits for those who were retired on the other.

Q. Mr. President, you have stressed the need to reduce the size of government and, as you say, restore the vitality of the private sector. Some critics say that in doing so, you are creating additional fiscal restraints for the economy that will threaten recovery and perhaps induce a new recession. How do you respond to that criticism?

THE PRESIDENT. I don't believe that an additional $10 billion tax reduction will restrain the economy. It will probably be a partial stimulant to the economy if the Congress responds to my request and makes it effective July 1, 1976.

[1] Frank G. Zarb, Administrator, Federal Energy Administration.

The other side of the coin, the restraint on Federal spending to a limit of $394.2 billion, is not a cutback in Federal spending, but a 5-percent increase in Federal spending over the present spending growth figures for fiscal 1976.

So, I think the critics are totally wrong. We are adding to a tax cut on the one hand to keep the momentum going, and we are permitting limited growth in spending on the other side.

Q. Mr. President, if I may follow up, when you measure that increase in dollars, 5½ percent against your own projected rate of inflation, isn't there an actual cut in real spending?

THE PRESIDENT. It is my recollection—and I may be in error—that that—no, I'm sorry, I am wrong. The rate of inflation for fiscal 1977 is anticipated to be 6 percent, and the growth in Federal spending is roughly 5½ percent. But it is growth to that degree. I think the economy will come along very well, particularly with the $10 billion increase in a tax reduction.

Q. Mr. President, to follow up on that same thing, another measure of the economic effect of the budget is what we call the full employment deficit or surplus, and this budget shows that it would actually be in surplus in fiscal 1977. And I wonder how you would respond to the criticism that that is very bad policy at a time of continued high unemployment?

THE PRESIDENT. Well, it seems to me that if we don't get a handle now on the growth of Federal spending—and this is a critical year, it's a threshold—we are going to be in serious difficulties in the years projected ahead.

Our projections for the reduction in unemployment show that in 1975 it will be 8.5 as an average, 7.7 in 1976, and down to 6.9 or 6.8 in the following year. It seems to me that this trend is in the right direction, and the overall balance between spending and tax reductions are in the right proportion.

Q. Mr. President, you will need the utmost in congressional cooperation to make this budget balance, as you well know, and my question is to what extent did you consult with the congressional budget committees or with the leadership in preparing this?

THE PRESIDENT. I didn't personally consult with any of the budget committees. I suspect that members of the OMB staff were in communication, but you would have to ask them particularly. I did not consult personally with any of the members of the House or Senate budget committees.

The responsibility as President is to prepare the budget, and I prepared it. I think I spent over 100 hours in personal attention to the decisionmaking process as far as the budget was concerned. That's a Presidential responsibility. The

Congress, subsequently, has its responsibility. And I would assume they will undertake it.

Q. Mr. President, most of these cutbacks, reductions, and consolidations have been aimed at traditional targets of conservatives; that is, health, education, social services, Medicaid. If you were really and truly seeking congressional cooperation in controlling Federal spending, do you think it would have been more effective if you were evenhanded in your reductions? I note there is a pretty big increase in the Defense Department budget. Do you think you would have gotten more cooperation from Congress if you would have tried to be a little more evenhanded in your reductions?

THE PRESIDENT. Let me take each of the consolidations. In the case of education, which includes elementary and secondary education, which includes vocational education, aid to the handicapped and libraries, the figure for fiscal 1977 is $3,300 million. We have added a sweetener of $150 million, so there is no cutback, none whatsoever, in the Federal aid to education. It is an increase rather than a cutback.

In the case of health, we are recommending in the consolidation process taking some 15 or 16 categorical grant programs. And in this case we are increasing the Federal contributions to the States over fiscal year 1976. That is not a cutback.

In the case of social services, as I recollect, it is identical. In the case of child nutrition, where we are consolidating 15 programs, there is a cutback, but it is a very good and simple answer. We will give more money to the children at the poverty level or below, and we will cut out child nutrition programs for those families above the poverty line.

I think that makes sense. We will spend less money, but we will concentrate the Federal resources on the children below the poverty line. And the people above the poverty line ought to be able to take care of their own children.

So, overall—overall, I think you will find that in the four programs that we have consolidated, there is more spending contemplated in 1977 than in 1976. So, there can't be any valid accusation that we have reduced Federal grants to States for programs that we believe should be carried on.

We simply are emphasizing with this approach a better delivery system of the services, whether it is health, social services, education, or child nutrition.

Q. Mr. President, if you are interested in reversing the flow of power toward Washington and giving more flexibility to State and local governments, why don't you go all the way and actually transfer those programs and the tax base

to the States, as has been proposed, rather than have the money come to Washington and ship it back in block grants?

THE PRESIDENT. I think the other approach is totally impractical. I can't imagine 50 States having all of these programs dumped on them and then have to increase taxes if they want the programs continued. The better approach is the one that I have recommended. It provides an equal or greater amount *in toto* of funding from the Federal Government to States, but gives to the individual States the authority to decide at that level what programs they want continued and how they want individual programs to be handled.

I have talked on many occasions to Vice President Rockefeller, who served 15 years as Governor of the State of New York, and he has repeatedly indicated to me that if the approach that we are recommending was in effect, that a substantial percentage of the Federal funds could be saved by better administration.

Perhaps the Vice President, who has had some practical experience in this area of managing State and Federal programs, would be a better witness than myself.

VICE PRESIDENT ROCKEFELLER. I think you ask a very fundamental question. And for those of us who come from States where there has been a long tradition of social responsibility and where we have increased taxes, particularly the income tax, and where our neighbors have no income tax and where other States don't have income tax, we find ourselves able to finance the programs.

But those States which don't have the income taxes, don't have the programs, and, therefore, we attract those who need help and we lose those who are trying to manufacture or do business and who move to the States where the taxes are lower.

And there is no chance of the States on their own voluntary effort developing uniform tax structures. And we are Balkanizing America. And therefore, I think the President has followed a course which the Governors for 15 years to my knowledge, have urged that we go to block grants, that we give the States the opportunity to develop their programs with the assistance from the Federal Government, because the Federal Government, since the time that the Federal Government was authorized to collect income tax, has the fast-growing tax source.

Now, some States have adopted it, but a great many haven't. And therefore, we have a tremendously difficult situation as far as the tax structure of the 50 States of this country is concerned.

Q. May I follow that, sir? In that case, why are you dropping the matching fund requirement? In that case, the wealthy States will continue to match funds

voluntarily and the poor States won't, and the same harmful effect you mentioned will continue.

VICE PRESIDENT ROCKEFELLER. Yes, but what you don't—excuse me, sir. I mean, what I would like to point out—[*laughter*]—is that with the requirement that the Federal Government has had for years, that you have got to enrich and improve your programs if you want to get matching funds. Well, if your programs are already rich and improved and you want to get Federal funds, you have to make it more rich and more improved. And the result is that our standards in New York went higher and higher—higher than we felt they should—but that was the only way we could get the Federal money and, therefore, it distorted our whole structure.

This was, I understand, Congress' attitude on this. They don't want to give money and have it substitute for local tax money, but if you are already doing the job, why should you increase it when there are other things you need more or when you should reduce taxes, which is what we wanted to do, but couldn't do because of these laws.

This is a very complex situation, and the special interest groups—and I understand that, too—instead of going to 50 State legislatures, that it was much easier for them to go to Congress. They get a constituency in Congress and in the congressional staffs and in the bureaucracy of the Federal Government. And they have got a situation going that is very powerful. And I admire tremendously the President's courage in stepping up to this thing and facing it as he has and having the confidence and the belief and the faith in the American people and their elected representatives at State and local government. This is what America is all about. And I think this is a very significant step and a turning point in our country, and is going to be welcomed by the States and local governments, and that includes cities and counties.

THE PRESIDENT. I might make two added comments. We have two block grant programs at the present time; one, the community development program, which consolidated seven categorical grant programs for the aid and assistance of urban communities. That program is in effect, it works well, and the communities were held harmless in the transition process.

The Law Enforcement Assistance Act was also a block grant program which gives flexibility to the States in the decisionmaking process. It is working well.

So, it can work. I believe the Congress will move. And it is a far better program than one that dumps the responsibility on the States and doesn't give them any assistance in the funding.

Q. Mr. President, last night you placed great emphasis on your proposal to crank into the Medicare program the catastrophic insurance plan, which would cost an additional $538 million. But in this morning's documents, I note that this would be more than offset by taking from Medicare recipients $1.8 billion and from providers of health services, about close to another billion dollars so that the net for Medicare is actually reduced by $2.2 billion.

My question is, do you feel you leveled with the medical profession and the Medicare recipients last night when you told them only about the sweetener and not about the bitter pill?

THE PRESIDENT. Let me remind you that you ought to go back and read my statement. I said in the statement there will be a slight increase in the fees. It is in the sentence where I referred to the $500 and $250.

Now, let's talk about the facts. Under the present situation, when a person under Medicare goes into the hospital, that individual in effect gets 60 days free care. After 60 days, that person bears the total financial burden.

Under my plan, which I think is the soundest, the person pays 10 percent of the hospital care costs up to a total of $500. After $500 the individual pays nothing, and after $250 for physician care the individual pays nothing.

What we are trying to do is help the 3 million people who are today affected very adversely by catastrophic illness, 3 million out of 25 million.

The financial burden, the mental fear and apprehension of the individual who is hurt by a catastrophic illness is really extremely serious. And in order to protect those 3 million people who have no hope, none whatsoever, of protecting themselves after they are afflicted, we think is the right group to concentrate on. And we feel that we can redistribute the financial burden across the 25 other million people in order to protect those 3 and all of those who might in the future be affected.

Q. Mr. President, only a month or two ago you were quite insistent that Congress commit itself to a specific spending ceiling as a precondition of any tax cut. Yet, last night, when you proposed your additional $10 billion in tax cuts, you made no mention of a requirement for such a spending ceiling. Could you explain?

THE PRESIDENT. I think if you will reread the message you will find that I do say—or did say, rather, in that message—that if we restrain Federal spending, we can have a tax reduction on a dollar-for-dollar basis. I can't remember the page, but it is in the message that I read to the Congress last night.

Q. Yes, sir, but I think that you are no longer insisting on a specific ceiling being approved by Congress as a precondition to that extra $10 billion.

THE PRESIDENT. Well, we say that the ceiling is $394.2. Now, there are uncertainties that take place as we move along, and we have got 5½ months before July 1, 1976. So, there has to be some flexibility.

I have picked a ceiling. I have said that we can, with that ceiling, as of today, have a $10 billion additional tax reduction over that that Congress has approved. We will have to wait and see how economic conditions develop in the coming months. But the concept of dollar for dollar was set forth in the message last night.

Q. Mr. President, wouldn't one way to help the States and cities the most be to establish comprehensive welfare reform and take most, if not all, of the financial burden off the States and welfare cities? I notice that you are just remodeling the present structure without going into any extensive welfare reform.

THE PRESIDENT. That is a possibility, and there are a number of options for complete and total reform of welfare. When I was in the Congress, on two occasions I voted for what was known as family assistance programs. But it didn't seem to us, as I said last night, that this was the time, as we are coming out of the recession, to make a massive reform of welfare.

We believe that the better approach at the present time is to get legislative authority from the Congress in order to take specific actions to remedy defects in the various individual programs. I do not rule out the possibility of a total reform of welfare in the years ahead, but I think at the present time it would have been unwise.

Q. Mr. President, I wanted to follow up on the bitter pill question about Medicare. As it stands now, under Medicare you get $104 Medicare—there is a $104 deductible for the first 60 days. That is my understanding of it. But under your plan it would be 10 percent of that in that first 60 days.

I checked with Social Security Medicare and your people up in Baltimore, and it turns out the average stay for a Medicare patient is 12½ days. Using your formula, instead of getting $104 in a Medicare payment for that first 60 days, you would get almost $240. Is that your understanding, that this would be an upfront cost to Medicare recipients, that they would have a doubling of cash out of their pocket?

THE PRESIDENT. I can't recall the precise figures, but as I said last night, there is an increase in the front-end costs—but the 3 million people who are saved from the horrendous costs of catastrophic illness are protected.

And anyone who has known a family or had someone in a family who had catastrophic care problems knows that that is the worst thing that could possibly

happen. And we think a redistribution of the costs for the people who are relatively well compared to those who are bedridden for months and months and months is the proper approach.

Q. Mr. President, could you tell us—or perhaps Mr. Lynn or Mr. Clements or Mr. Ogilvie [2]—the difference between the defense budget presented here and the one advocated by Secretary Schlesinger?

THE PRESIDENT. The defense budget that we have submitted includes all of the programs that former Secretary Schlesinger recommended. The defense budget for fiscal year 1977 calls for obligation authority of $112.7 billion, an increase of around $10 to $11 billion over the current fiscal year. It calls for expenditures of $100.2 billion, which is roughly $8 billion over the anticipated expenditures for fiscal year 1976, this year.

The budget provides all of the major programs requested by the Joint Chiefs of Staff. There is virtually no difference in what has been approved in dollars or programs in what the former Secretary of Defense recommended. We keep the exact uniform personnel figures the same; 2.1 million in fiscal 1971; 2.1 million in fiscal 1977.

We do call for a reduction of 25,000 in civilian employment in the Defense Department. But I think better management can bring that about.

Bill, do you want to add any comments beyond that?

WILLIAM P. CLEMENTS, JR. [Deputy Secretary of Defense]. I would only say that to enlarge upon your statement, that the various services and the Joint Chiefs are completely in accord with the budget as you have presented it. It provides for real growth in the defense budget, and in a reasonable sense it maintains the momentum of the programs that we consider our priority programs. And I would say the Department of Defense is pleased with the budget.

We are not entirely satisfied, of course. I don't think we would ever be in that particular position. But we are pleased with the budget. We think it meets our requirements, it maintains our momentum, and it gives us the priority programs that we need.

Q. Mr. President, a number of leading Democrats, including virtually all the Presidential candidates, are advocating a government policy that would guarantee a job for everyone who wants to work.

I want to know why you rejected that position. And do you challenge their contention that for every 1-percent decrease in unemployment there is a $16

[2] Donald G. Ogilvie, Associate Director for National Security and International Affairs, Office of Management and Budget.

billion increase in Federal revenues and, therefore, such a policy would not increase the deficit?

THE PRESIDENT. I don't believe that the Federal Government should, out of the Federal Treasury, coming from the Federal taxpayers, provide a job for every individual. It seems to me that the better approach is to create an economic environment so that the private sector provides jobs for those who want to work.

And that is the basis of my proposal in the budget and in the economic message. The employment of individuals by the government, with the taxpayers paying the bill for their employment, in my opinion, is not, in concept, the American way. We have prospered, and we will prosper in the future, by utilizing the free enterprise system and the private sector far better than making the government the employer.

Q. Mr. President?

THE PRESIDENT. Yes, Sarah [Sarah McClendon, McClendon News Service], how are you?

Q. Don't you feel that you may have 50 little nations by sending this money back to the States for this program on children and other block grant ventures? Don't you feel that the States might take the money and then might use it badly or they might not have a program at all? And one State might have a better program than the other, and the people in the population might flock to that State.

THE PRESIDENT. Sarah, I think you have forgotten that the Federal Government was established by the States.

Q. I have not forgotten it, sir, but I don't see how that applies here.

THE PRESIDENT. It seems to me that the States have a record of handling the problems the best, as far as their individual circumstances are concerned. I believe that States and local units of government with elected officials can make better judgments than a bureaucracy here in Washington, D.C. I believe that the closer decisions are made to the people, the better they are. And that is the concept in which I firmly believe. It is working in community development. It is working in the law enforcement assistance area.

I am not going to give up on properly elected officials at the State and local level. I think they do a good job. And all we are doing is giving them money to carry out the kind of programs. And the programs in education may be different in Florida from those in Maine. The programs in the field of health may be different in South Carolina than they are in Alaska.

And I happen to believe that the Governor of Alaska and the Governor of Florida or South Carolina can make good judgments in these areas. And I think

we have an obligation to help give them the money so the programs can be continued and not pull the money away and tell them to undertake the programs.

Q. Mr. President, I notice in your economic assumptions that you predict 7.7 percent unemployment to about November of 1976. Would you talk about politics for a moment and give us your assessment of how this might affect your chances for election?

THE PRESIDENT. Let me point out that the economic assumptions say that in 1975 they were 8.5, and the average in 1976 will be 7.7, and it will go down to 6.9 in 1978 [1977]. The important point is not the average; the important point is that the trend of unemployment is down. It will be an average of 7.7, but it will start higher in January of this year, and by November of this year, I think it will be something less than 7.7. The trend is down.

What does that mean? It means that everybody who has a job has a degree of security and those who don't have a job know the prospects for getting one are better. That is the situation when the trend is down, as we projected, and it will be. So, from an economic point of view, with peripheral political benefits, I think it is a good program.

Q. Mr. President, can you give the specifics on what you project for November?

THE PRESIDENT. I can't give you the specific projection for November. All I know is the trend will be down.

Q. Mr. President, given your difficulties with the Congress last year, and given the fact that you said the Presidential responsibility is to make the budget, but nevertheless, you didn't consult with the budget committees, and given the fact that many of these programs have been in effect for years, that they are written in and they are already part of the congressional way of life, so to speak, do you realistically expect, sir, that you can get cooperation from the Congress to pass the budget that you are recommending? And where will you make the compromise?

THE PRESIDENT. I expect to get full support from the Governors, from local officials. I think they can have an impact on the Congress in these proposed consolidation areas. In fact, I am meeting with some Governors and local officials before lunch—and having lunch with them today—just to try and generate real activity by them on behalf of what I have recommended.

Maybe the Congress won't go along, but if you look at those "mess charts" [3]

[3] The President was referring to diagrams for the health services, education, and food and nutrition programs of the Federal Government.

up there, anybody with any common sense would want to make some changes. And I happen to believe there are quite a few people in the Congress who have some common sense. Look at those mess charts up there. It is unbelievable. And I think Congress, when they look at it, and the public sees it, will respond.

Q. Mr. President, going back and following up on the medical catastrophic illness. You said there were 3 million out of 25 million with catastrophic illnesses. What have you done, sir, to provide more money for medical research? Last year the NIH medical research funds were cut. What do you provide for research in medicine for these catastrophic illnesses?

THE PRESIDENT. I believe that—let me say this. Overall research in this budget—this is across the spectrum—is $24 billion-plus, an 11-percent increase in Federal funds for research, including an 11-percent increase in basic research. It is the largest Federal budget for research in our history—an 11-percent growth factor. I believe if you take all of the NIH proposed funding, that we are roughly the same as we have recommended for fiscal 1976.

David, do you want to comment on that?

DAVID MATHEWS [Secretary of Health, Education, and Welfare]. To be concise, Mr. President, is that your budget recommends an increase of $185 million for all of the institutes under NIH. That is roughly a 10- or 11-percent increase.

Q. Mr. President, now that Congress has attached its salaries to inflation and it has also attached the Government pay raises to inflation and the Government pensions to inflation, isn't it true that this guarantees we are going to have inflation and also guarantees a continuous erosion of private pensions and private salaries which are not attached to inflation?

THE PRESIDENT. The experience we had this last year worked out very well in getting some restraint on the growth of pay increases in the Federal Government, including the congressional pay increases. The cap was 5 percent. The proposed increase was 8.6. So, yes, there will be some growth, but I think the connection between the two gives us a better handle on doing it responsibly than the way it was before. I think Government employees should not have their pay frozen ad infinitum. The way it worked last year worked out quite well.

Q. Mr. President, I have a two-part question. One, a lot of people—poor people, rightly or wrongly—are depending upon Medicaid to pay their doctor bills. What will happen in States without that social responsibility that Governor Rockefeller talks about when they decide not to match the Federal payment with the State money? And, secondly, in States such as New York, when the Medicare gives out, people go over onto Medicaid and this is a de facto catastrophic illness plan. What is the improvement here.

THE PRESIDENT. I don't believe that the public in any State will permit a State legislature or a Governor from failing to meet their responsibilities. They have the same public interest and pressure on them that the Congress does. The record is good and the money that we plan to give to the States in the health consolidation program is $10 billion in fiscal 1977, it goes to $10½ billion in fiscal 1978, and to $11 billion in fiscal 1979. We are showing our responsiveness. And I believe that States will respond as their citizens want them to.

Now, on the question of going from Medicaid to Medicare—or Medicare to Medicaid. Under the catastrophic program that I have, the individual has no reason to do so—none whatsoever.

Q. Mr. President, in your budget, why is it that proposed outlays for military programs go up 9 percent while proposed outlays for education go down 12 percent, and for such things as community development down about 5 percent?

THE PRESIDENT. It relates precisely to our national security. We have had, over the last 10 years, a trend totally in the opposite direction. Ten years ago, the Department of Defense got, roughly, 40-some percent of the Federal outlays, and domestic programs got 32 or 33 percent. And in fiscal 1976, it was almost reversed. And if we are going to have an adequate national security, if we are going to have a capability in conventional or strategic arms, we have to increase our expenditures in fiscal 1977. It is just that our national security dictates it. We have been pinching the national security forces in the last 10 years. And I think we have to have a slight change in that direction.

Q. If I might follow up. There, of course, are a great many people in this country that think that education is involved in our national security. And I would like to ask you, with a 6-percent projected rate of inflation and a 12-percent cut in Federal education programs, how is education in the United States possibly going to keep up?

THE PRESIDENT. Well, as I recall, the percentage of money spent on education nationwide by the Federal Government is a relatively small part of it. And, actually, in our education program we are recommending $150 million more. So, we are adding to the pot as far as the Federal Government is concerned.

I will ask Secretary Mathews to give you a more complete answer, but the Federal contribution to education is a relatively small part of the total that is spent by States and local communities for education. So, the switch here I don't think is significant, particularly when the Federal Government has the total responsibility for our national security. And that is our prime obligation in this complicated world in which we live.

David.

SECRETARY MATHEWS. Up until a minute ago, Mr. President, I thought that our increase in the block grant was $263 million, but, roughly, an increase there of some several hundred million dollars. The figures we have indicate that for your 1976 budget, revised, you have recommended $6,451 million. This year you are requesting $6,916 million, which is an increase.

Q. Mr. President, I would like to ask you about the social security tax increase. An increase in social security tax rates hits people below the poverty line as well as those up to the wage base. It also raises labor costs to employers and helps cause higher prices. Why did you opt for a social security tax rate increase instead of either increasing the wage base very substantially or doing what the original task force that helped create social security programs recommended, which was to turn to general revenue financing for the welfare components of social security, that initial unfunded liability you create when you raise benefits?

THE PRESIDENT. Well, if you go to the program that you have indicated, the last option, you are in effect losing the concept that a person working is paying for his or her retirement. I think it is important for us to retain that concept, that a person, through social security, is in effect contributing to his or her capability to retire at a date certain. I strongly oppose dipping into general funds to supplement the Social Security Trust Fund.

The option of increasing the tax three-tenths of 1 percent, I think, is the most responsible way to do it. To broaden the base, as I said last night, it will mean that the person at the wage ceiling of $15,400 will pay no more than $47 a year or less than a dollar a week. The person at the lower wage base will pay significantly less—very limited increase. So, I think it is a fair way to distribute the burden for having a retirement certainty at 65.

Q. Mr. President, on the question of jobs again, the Democrats are likely to ask why it is proper, in your view, for the Federal Government to spend $17 billion on unemployment compensation and not take a portion of that money to create jobs for the people who are out of work. How do you respond to that?

THE PRESIDENT. It has never been proposed in the Congress during the 25 years I was there—and the Democrats dominated the Congress in all but 2 years—that they would use that concept while they were controlling the Congress. This must be a new idea of spending unemployment payments to create jobs. I have never heard of that approach before.

What we think is the better way is to not take that money, which is a well-accepted concept, and stimulate the economy so that we get more people off the unemployment rolls and reduce our unemployment payments and get people

working for private enterprise rather than for government on the one hand or unemployment on the other.

Q. If I may follow up, Dr. Burns [4] has suggested, among other people, that it would be well to limit the period of unemployment compensation and instead provide jobs through government means.

THE PRESIDENT. Yes, Dave [David S. Broder, Washington Post]. I saw what Dr. Burns said, and I was very interested in what George Meany [5] said in response. Dr. Burns proposed that people who work for the government under this guaranteed employment program of his, that they be paid less than the going wage, or they be paid less than the minimum wage. And the minute Dr. Burns raised that question, George Meany said he would have no part of it.

So, there isn't unanimity among those who, in one way or another, indicate that the Federal Government should be the employer of last resort.

Q. Mr. President, I didn't have my follow-up question. I would like to ask Director Lynn, if I might—I asked him yesterday in our briefing in the old EOB why it was there was nothing in the State of the Union Message about handling the excessive increases of Federal pensions, whereas they were talking of maybe possibly eliminating the increases in social security? Can you answer that?

JAMES T. LYNN [Director of the Office of Management and Budget]. Yesterday, you will recall, I had my problem of trying to stick to a briefing on the state of the Union. Today I have no such problem. If you will notice, one of the initiatives of the President in this budget is to eliminate the so-called one-percent kicker, which is a provision that, in addition to adjustments for cost of living, adds another one percent, and which we feel is not appropriate and the way to address the problem.

There, of course, has to be an overall look, constantly, in every program of the Federal Government. And this is no exception. But we do believe that this is an important step to be taken to bring that program into better long-range perspective.

Q. Mr. President, can you tell us, sir, how much is in your new budget for Angola and, also, the CIA spending?

THE PRESIDENT. Well, the budget for fiscal 1977 follows the long tradition of not identifying the budget recommendations for the intelligence community. I think that is a good procedure. It has worked well, with some exceptions in the last few months. And I don't think that I should comment either on the amount or the specifics for any undertaking in any definite way.

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[4] Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System.

[5] President of the AFL–CIO.

Q. Mr. President, Mr. Lynn has just indicated that you are going to propose eliminating the 1-percent kicker on Federal pensions. Have you proposed, or are you planning to propose, anything which would deal with the so-called flaw in the social security cost-of-living increase which is said to give a double jump to social security beneficiaries?

THE PRESIDENT. It's my recollection that we seek to remedy those defects in all cases. Is that correct?

DIRECTOR LYNN. That's right, Mr. President. We do address that question. And I think the book that you have been handed on 70 issues goes into that in somewhat more detail.

Q. Mr. President, in your Medicare program you suggest that you are going to limit Medicare payment increases to 7 percent for hospitals and 4 percent for physicians. The medical profession has not been known for limiting their increases. If they ignore this plea, will the burden go on to the recipient, and will that be over the maximum amount that we have been told they would pay in catastrophic?

THE PRESIDENT. That limit of 7-percent increase on hospitals and nursing care homes and the 4-percent limit on physician fees applies only to those programs where the Federal Government pays the hospital, the nursing home, or the physician. And I believe that a physician or a hospital, under those programs, can't charge extra where the Federal Government has the principal responsibility.

David or Paul?

SECRETARY MATHEWS. Roughly, the theory that we are operating on here is that the—if you look, as everybody knows, at the costs in health care delivery, they are running well above any of the other inflationary costs—some figures up to 40 percent. And these are two remedies that would seek to restrain that cost. But we are obviously operating on the assumption that there can be some moderation both in hospital fees and in doctors fees in this case.

THE PRESIDENT. Paul, do you want to add anything?

PAUL H. O'NEILL [Deputy Director of the Office of Management and Budget]. Yes, perhaps one thing. Under the Medicare program now and under this new proposed legislation, a doctor or a hospital, if they agree to accept assignment—that is to say, if they agree to work directly with the Medicare program—they must agree to accept the fees without any further billing to the patients. They do, of course, have the ability, if they wish to take advantage of it, not to deal directly with the program, but rather to deal directly with the patient. But I don't think we would expect the doctors and hospitals to turn down so-called assignments under these new provisions.

Q. Mr. President.

THE PRESIDENT. Yes, Saul [Saul Kohler, Newhouse News Service].

Q. Your mess charts and the other indications is that Health, Education, and Welfare is a bit huge—have you given any thought to breaking up the Department?

THE PRESIDENT. I do not think it is needed and necessary to divide the Department of Health, Education, and Welfare. The enactment of the necessary legislation to move to the block grants in health, child nutrition, social services, and education will relieve very substantially Secretary Mathews' administrative problems. As you can well see from the chart, if we were able to do that, which I hope we can, I see absolutely no need and necessity for tearing apart the Department of HEW.

Q. Mr. President, in the defense section of your budget, you refer to the possibility of the need for developing a new generation of ICBM missiles. How likely a possibility do you think that is, and what do you anticipate its cost to be?

THE PRESIDENT. I think it's still in the R. & D. stage. We haven't gone beyond that. We always are looking down the road to make sure that we don't rest on our oars. We know our adversaries are not. So, this is one of several programs that takes a look at the future and the need and necessity for the best weapons for our national security.

Bill, do you want to add any comment to that?

DEPUTY SECRETARY CLEMENTS. That's exactly right. I have nothing to add.

Q. If I could follow up. There has been some defense theory that holds that land-based ICBM's should be phased out entirely and replaced with sea-based. Since you are calling for an increase in Trident appropriations, I wonder what do you think of that theory and whether you envision us maintaining ICBM's as a deterrent?

THE PRESIDENT. I believe that our ICBM's, the Minutemen, various versions, are a very strong deterrent and a very capable military weapon. We do have the Poseidon and the potential Trident. We have to have a mix. I think it is important not only to have land-based but submarine-launched missiles, ballistic missiles. But I think it is also important to have the manned aircraft, the B-52's and the B-1's that are coming along. We are going to be progressive. We are going to be flexible in our strategic weapon capability. It may mean moving to some version of mobile missiles. It may mean development, as we are, in the cruise missile area. We can't stay static. If we ever get on a plateau and stay there, our national security will be seriously in jeopardy.

Q. Your budget this year includes Federal assistance for 500,000 housing units. Even with this support I believe you are forecasting 1.4 to 1.6 million new units. This is well below the 2 million units that has been presented as goals to meet our housing needs. How do you answer criticism that this administration is taking away these units and increasing shortages in housing?

THE PRESIDENT. We think the 500,000 housing construction and rehabilitation program is a good base for a sound Federal housing program. The number of starts in calendar 1975 was roughly 1,100,000. We are optimistic that that figure will be improved, particularly with interest rates going down and with mortgage money being available.

I would like to ask the Secretary of HUD to add anything to that. She just went down and didn't get run out of town in Dallas when she spoke to the homebuilders, so she must have a good program that will be better in 1976.

CARLA A. HILLS [Secretary of Housing and Urban Development]. Oh, I agree, Mr. President, that the remedy to truly help housing is to get the inflation down so that we close the gap between the actual cost of housing and the real income of people. Now, to correct what I think was implied there, our assistance is to people, not to construction, when we address our over 500,000 units.

That reflects 100,000 units which will give an opportunity for home ownership through a home subsidy program. In addition, we have 400,000 units, which is comprised of new, existing, and substantially rehabilitated, where the assistance is in the form of rental subsidy whereby we provide the difference between 15 or 25 percent of the person's income and the fair rental value of a modest unit.

In addition, we have reflected in this budget, 6,000 units of housing for our Indians. So, we are over 500,000 units. But I think the real remedy is to expand home ownership for all of our people. And we certainly have done that in an emergency basis through our tandem program where great numbers of dollars—indeed, over $15 billion of mortgage purchase assistance—has been provided over the past 22 months for single-family dwellings.

And just 2 weeks ago we have released $3 billion for multifamily assistance. Now, I regard these as purely emergency measures. And by 1977, if our economy continues on the track which it is on now, we can be sure we won't need these emergency measures, but that people will be able to enter the housing market and buy the home of their choice.

Q. Mr. President, if I could follow up on the question on housing and ask either you or Mrs. Hills, we have at least 9 million people in this country living

in slums or paying a disproportionate share of their income for housing. And some estimates are up to 15 or 16 million. Congress has set a goal of 2.8 million new housing units in this country as necessary to assure every American decent housing, and you are proposing 500,000. How do you justify that?

THE PRESIDENT. The Congress passed several years ago a 10-year program for 2,200,000 homes per year. That is the target over a 10-year period. We didn't meet that target last year. But we met about 50 percent of it. I think in only 1 year, in the 4 or 5 years, has the housing industry been able to meet that 2.2 million program.

Now, the best way to get more housing is to make more money at lesser interest rates available to the home purchaser. And as long as you have the Federal Government going in this year with a deficit of $70 to $75 billion, you can't possibly have enough money out there in the capital fields to make money available to build 2,200,000 homes.

Now, the 500,000 program that Secretary Hills mentioned is what the Federal Government can do. And I think that is a good base from which the industry can operate and still give enough capital in the capital market for the private sector to meet the rest of the challenge.

Carla, do you want to add anything?

SECRETARY HILLS. I would only say that Congress suggested 600,000 units to assist our poor. We are over 500,000 units at HUD, and there is a substantial rural assistance program in the Department of Agriculture. For the first time in many years, this administration has truly addressed the housing needs of our poor. And I think it is a program that fits within budget constraints so that we are not at the same time prejudicing others who would be adversely affected by an increase in the mortgage interest rate.

Q. Mr. President, a year ago you and your staff made a series of projections in terms of economic performance and budget deficit. I wonder what sort of assurances you can give us that these projections are going to be a little bit closer to the mark?

THE PRESIDENT. Well, the projections on the budget deficit last year—and I was checking them this morning—were not as accurate as I would certainly have liked. As I recall, we projected a $50 billion deficit, and it is going to be somewhere between $70 and $74 billion.

But bear in mind that that budget was put together in October and November and December of last year, when we were going through a serious inflationary problem—with inflation over 12 percent. And not many, if any, experts were telling us we were going into the kind of unemployment that we experi-

enced in 1975. And a substantial increase in the deficit for the current fiscal year is in the additional amounts, some $12 billion in unemployment compensation.

Now, we believe that the economy is moving in a much steadier way, with no anticipated, unexpected events coming up. So, our projections should be much more accurate.

Alan, do you want to add something to that?

ALAN GREENSPAN [Chairman, Council of Economic Advisers]. Yes, Mr. President. It is certainly true that we overestimated the decline in economic activity in 1975 in the last year's report. We had a 3-percent decline in real GNP. It was actually only 2. The unemployment figures, however, were miscalculated because of very difficult problems with respect to the period in which the estimate between the economy and unemployment was taken.

It is exceptionally difficult to make estimates, both of economic activity and its reflection on the budgetary process. And I think if you go back and look at the data last year, I think you will find that the forecasts were reasonably accurate, specifically in the context of how active you can tend to be, and that the translation to the budget was, I think, missed in part on the deficit side, as far as economic assumptions were concerned, by our misestimating the relationship between the levels of economic activity and the level of unemployment.

Even though, as you recall, at the time we had a very high rate of unemployment and at the meeting a year ago we sort of startled everybody by the type of level of unemployment we were forecasting. We were still too low by several tenths.

Q. Mr. President, I want to get back to jobs.

THE PRESIDENT. Somebody who has not asked a question.

Q. Mr. President, last night Ways and Means Chairman Al Ullman said it seemed to him that what you were saying was that if Congress has any spending over $394.2 billion, that you would veto it. Now, was that the case? Would you veto anything over that level?

THE PRESIDENT. I would not hesitate to veto any legislation or appropriations that would go beyond $394.2 billion.

Q. Is there no room for compromise?

THE PRESIDENT. I carefully used the words, I would not hesitate to veto anything over that spending limitation.

Q. Mr. President, do you think your budget is fair to Federal employees? There have been charges you have been making Federal employees pay go down, inflationary problems, by putting a 5-percent cap on Federal pay and

moving on several recommendations of the Rockefeller Commission that would, in essence, lower Federal pay.

THE PRESIDENT. Well, the Rockefeller Commission made a number of specific proposals. One, as I recall, on the basis of comparability, took computer operators and secretaries and said that their pay vis-a-vis the private sector was higher, that they were doing better than comparable employees in the private sector. So, they made a recommendation for revision there.

There is evidence, I think, that although the aim and objective was comparability for Federal employees, that in the last 4 or 5 years since that program has been in effect, there has been some distortion. And the net result is we have had to take some corrective action.

I think it is also fair to point out that another factor does have some significance. Most Federal employees, once they become qualified, are seldom laid off. That is not true in the private sector. In the private sector, they are subject to much more uncertainty. So, you have to balance not only pay but reliability for continuous employment. And when you add it all up, I think in most instances Federal employees are reasonably and fairly paid.

Q. Mr. President, in the area of military pay, your defense budget makes several cuts in the area of—or reducements in the area of military benefits within the commissary. Do you feel that military members are adequately paid now or are they underpaid or are they overpaid? What is your feeling on military pay?

THE PRESIDENT. Well, the military pay formula for the last several years is predicated on comparability with the private sector. That was the legislation passed. That is the formula that has been used. And the situation is precisely this, for the benefit of background. Ten years ago the total pay-related costs of the Department of Defense were 40 percent of the total defense expenditures. At the present time, pay-related expenses of the Department of Defense are 52 percent of what the Department gets to spend.

It is getting to be a very serious problem as far as the total piece of Defense Department spending. Now, you take the suggestion that we have made for a 3-year phaseout of the direct hire of employees in commissaries. The pay of employees, military personnel of the Defense Department, is predicated on comparability with the civilian work force.

The commissaries, with Federal subsidy of about $180 million a year, gives them an added advantage. They ought to at least absorb the direct hire costs. I think that is a responsible and reasonable request.

Q. Is it fair to say that because of the commissary benefits and because of the comparability, you feel military members are overpaid by that amount?

THE PRESIDENT. I didn't say overpaid. I think they are paid properly.

Q. Overcompensated?

THE PRESIDENT. I said they were paid properly. I don't use your words. I use my own. [*Laughter*]

Q. In light of what you just said about the seriousness of the problem of 52 percent of military budget being spent on pay, would you consider returning to the old nonvoluntary system, the draft system?

THE PRESIDENT. I firmly believe in the all-volunteer military force. I believe that the experience in the last 3 years has been good. All of the services have been able to recruit all of the manpower they needed. They have been able to increase the educational requirements and still get all of the manpower that they wanted in a voluntary way. So, I strongly believe in an all-voluntary military force, a career force. And the experience in the last several years has been very encouraging. And I think we ought to continue it.

Q. Mr. President, your last budget message and your last budget placed emphasis on steps to get the Nation out of the recession. Does this budget represent a shift in emphasis to fighting inflation?

THE PRESIDENT. It is a budget that aims at a balanced economy, continued efforts against inflation, and the establishment of a healthy civilian economy that will provide for greater jobs in the private sector. It is a combination, well-balanced Federal budget in that regard.

Bob [Robert S. Boyd, Knight Newspapers].

Q. On page 66 of your budget you say you call for a full-scale development of long-range strategic cruise missiles. Does that mean that you have given up hope for achieving some kind of controls or restraints on cruise missiles in Moscow?

THE PRESIDENT. The research and development program on cruise missiles, whether they are from aircraft or submarines or surface ships or land-based, is a program that must continue. Secretary Kissinger is now in Moscow to continue negotiations on SALT II. We certainly expect to continue the research and development in this new weapons system area until we find out whether or not we can negotiate SALT II.

SALT II may have—I say "may have"—some impact on what we do in the future in cruise missiles. But certainly I can't predicate funding on a research and development program in the budget that begins October 1, 1976, on decisions that haven't been made in December of 1975. It just makes sense to

put the money in to continue the research and development. And we will see what happens in the negotiations.

Q. Mr. President, in May, sir, the Congress is due to invoke its first tentative ceiling on the fiscal 1977 budget. If Congress' ceiling is higher than your $394.2 level, will you permit the current tax rates to be extended for the rest of the year?

THE PRESIDENT. Well, I think the Congress, when they take a look at the facts, will come to the same conclusion that I do, that $394.2 is a responsible and attainable figure. I don't want to prejudge what they might do. And if they do that, then I will do something else. I will stand by my figures and hope that they will act responsibly and do the same.

Q. Mr. President, in answer to an earlier question you used the phrase, the B-1 bombers that are coming along. Does that mean that the decision has already been made?

THE PRESIDENT. The money in this budget, as I recall, provides for the procurement of the B-1 bomber.

Bill, is that right?

DEPUTY SECRETARY CLEMENTS. That is right. And the long lead items related to limited production. And I would further add, Mr. President, that the R. & D. development program with the planes that we now have is progressing beautifully. We have not run into any great difficulties with the program. And we are extremely pleased with it.

Q. Can I just follow that? I thought the decision was going to be made at the end of this year on whether to procure them or not. Am I wrong?

THE PRESIDENT. We put the money in, as Bill said, for the long leadtime items. This is for a budget that begins October 1, 1976. But we have to make some decisions because of the time lag. And it is our judgment at this time that those long leadtime items be recommended.

DEPUTY SECRETARY CLEMENTS. Mr. President, your budget is anticipating that production will start in FY '77. And we are asking, as I said, for that long leadtime money to make that production as efficient as possible and as less costly as possible.

Q. Mr. President, if I could get back to jobs, because that is a central area of disagreement between you and the Democrats. While nobody disputes your contention or your statement that it is better to have people working in private enterprise than for the Government, isn't it common sense that it is better for people who are now unemployed, especially the young, to have temporary government jobs than to have them be on unemployment compensation, on welfare, or standing around on street corners figuring out how to commit crimes?

THE PRESIDENT. We have recommended in this budget full funding for the summer youth program. The money is about $450 million. That is a very good program that helps substantially in major metropolitan areas in the undertaking of getting young people off the streets and getting them working.

We have also recommended the full funding of the comprehensive education training program—I think that is around $1,600 million—to get people who are unemployed to be trained for subsequent employment. Those are good programs.

I mentioned them last night in the State of the Union Message. Those are constructive. I think they have been proven, but to go into a massive $17 billion Federal employment program I don't think is the right approach when a better way is to get the private sector to do it.

Q. Mr. President, does that mean that your budget, in nonmilitary terms—what are the nonmilitary expenditures aimed at achieving and maintaining peace as opposed to the Defense Department budget? Are they more or less than last year?

THE PRESIDENT. The foreign aid programs, is that what you refer to?

Q. Foreign aid.

THE PRESIDENT. The foreign aid programs, as a whole, are in the magnitude of approximately $6 billion. They provide traditional economic supporting assistance for a number of countries. There is a heavy concentration in the Middle East.

As I recall, it is about 30 percent of the overall total. But it is a program designed—economic assistance and some military assistance for nations around the world.

Secretary Sisco, do you want to add anything to that?

JOSEPH J. SISCO [Under Secretary of State for Political Affairs]. Mr. President, I would just add that, as you indicated, the emphasis in the AID program is on the high level of economic aid to the Middle East for the obvious reasons that this is a very volatile area. In addition, we are supporting new multilateral development assistance initiatives that are an outgrowth of the statement that we made before the U.N. General Assembly—the economic session—about a year ago. And we are implementing that particular program. And likewise, there are important elements on the bilateral development aid assistance, as well as maintaining the U.S. food aid at about two-thirds of the worldwide target of 10 million tons of food.

Q. Mr. President, will you comment on your energy budget for 1977?

THE PRESIDENT. The energy budget for 1977 shows in the research and development area about a 40-percent increase in the nonnuclear field. In the nuclear field, it is somewhere between 35 and 40 percent, if I recall. So, overall, the research and development programs in energy are increased very substantially.

Does anybody here want to give any more specific——

Here is Dr. Seamans, head of ERDA.

ROBERT C. SEAMANS, JR. [Administrator, Energy Research and Development Administration]. Just to confirm what you said, Mr. President, that we do show in our Energy Research and Development Administration budget a very substantial increase in all areas. The largest increase will be in conservation. That is up around 60 percent. The solar, the geothermal, and the nuclear will run around 35 percent, as you indicated. We do show a very marked increase on the nuclear fuel cycle. That shows an increase of around 55 percent.

MISS LEWINE. Thank you, Mr. President.

THE PRESIDENT. Thank you all. We have enjoyed it. See you next year.

NOTE: The President spoke at 9:35 a.m. in the State Department Auditorium at the briefing conducted by administration officials.

24

Remarks on Greeting Members of the Legislative Council of the National Retired Teachers Association and the American Association of Retired Persons. *January 21, 1976*

Mr. Vice President, Miss Mullen, Mr. Woodruff, members of the two fine associations of retired people:

It is a great privilege and pleasure for me to have an opportunity to greet all of you and to say a few words concerning some of the problems that I know face retired people, and to relate them, to some extent, to the proposals that I made Monday night before the Congress and the American people.

First, I would like to thank Miss Mullen and Mr. Woodruff for this book, which I understand has as a theme, the theme that two organizations have for the activities of your many, many members. I will look forward to reading it, "The Power of Years."

I know from practical experience that all of you and your associates have the power of years, and I congratulate you on it and hope that you will continue to have it.

Let me make one or two comments concerning problems that face you and issues which I tried to address Monday night in the State of the Union comments to Congress and the American people.

Number one, one of the principal issues we face in this country is how to do something affirmatively in the area of inflation. Fifteen, sixteen months ago we were going through a very traumatic period, with the rate of inflation up over 12 percent.

We have made substantial strides in cutting back on the rate of inflation. The current rate is roughly 6 percent. We hope to reduce that gradually, but constructively, in the months ahead. And if we carry out responsible fiscal policy, if we do the other things that are needed and necessary, we can get the rate of inflation down to an area which is livable for all people and a rate that must be obtained as far as retired people are concerned.

Number two, as all of you know, I indicated that I was not recommending any cap or any ceiling on social security benefits. The anticipated cost-of-living increase for the social security recipients is somewhere between 6 and 8 percent.

It is my feeling that we ought to permit—and I have recommended that that go into effect as planned under the existing law. But I had to point out, and I think properly so, that at the pay-out rate and based on the money that is received, the Social Security Trust Fund is going to get in trouble in the next 4 or 5 years. There is no question about it.

All of the experts can show you charts and graphs that indicate that unless we increase receipts on the one hand, we will be forced either to reduce benefits or else draw on the funds of the Treasury, the general funds.

It seemed to me that we had to face up to the issue of the integrity of the trust fund, and the best of the three alternatives, in my opinion, is to add a very, very small tax, three-tenths of 1 percent, on both employer and employee.

If you figure it out, the most a person would pay would be less than $1 a week—the most. It adds up to $47 a week (year) for the person with the highest income that is taxed—$15,400.

We must maintain the integrity of that trust fund. Otherwise, those who are retired or those who are working and intend to retire will not have the security that is needed or necessary.

The second point I addressed, I think of some interest to you, and that is how we are going to handle the problem of catastrophic illnesses. Approximately 24 to 25 million people today are receiving Medicare benefits. The statisticians tell me that roughly 3 million of that 24 to 25 million are affected by catastrophic

illnesses today, and everybody knows that very few people in our society today can carry the burden of catastrophic illness.

And in order to ensure that the retired people are covered, I am recommending some changes in Medicare. Under existing Medicare arrangements, a person gets the first day free, and up to 60 days there is a small payment. But after 60 days, there is an obligation both as to hospital or nursing home care and doctor bills.

Under the proposal that I have recommended, the first day of care will be free and there will be a small charge of 20 (10) percent of the cost of nursing home and hospital care up to 60 days. But after a $500 payment is made per year, that is it. There is no other payment after $500.

And in the case of doctors' bills, the limit per year is $250. We would increase the deductible from $60 to $77 and a limit of $250 per year. This will give that catastrophic illness coverage to all people who are currently under Medicare, some 25,000 (25 million).

I think these are steps in the right direction. They take care of the problems of inflation. They give the trust fund the security and the integrity that is required, and most of all, it handles the problem of catastrophic illness, which, I know from experiences in families that are close to me, is a burden that few, if any, in our society can take care of.

I hope and trust that we can count on the support of all of you and your respective organizations. It will help to make, in my opinion, a better opportunity for enjoyment of life for our senior citizens.

Thank you very much.

Now I would like to introduce my good friend and your good friend and our outstanding Vice President, Nelson Rockefeller.

THE VICE PRESIDENT. Well, as a retired person, I feel a tremendous sense of community here but who, based on power of experience, was drafted back very graciously by the President to serve with him, so that I am delighted with the privilege and opportunity of being in his administration and of having this opportunity to say just a word with this wonderful group gathered here today.

Three things about the President that I particularly admire and that made it a tremendous honor and a pleasure for me to be associated with him in this capacity:

On was a deep sense of human concern. And this, to me, in this difficult period in which we live, is a fundamental requirement for leadership.

Secondly, a tremendously inquisitive mind in trying to understand the issues

and the problems and to find solutions, which is equally important, as you go down the road.

Then, one of the problems which faces a politician always, of course, is you may find a solution, but is that solution palatable from a political point of view. What I admire about the President is, his interest in finding what is the best solution for the American people for the long pull. When he finds that, that is what he stands for—no concern about the short-term political considerations. That is the kind of political leadership I think this country needs and that we have.

Thank you.

THE PRESIDENT. It is my understanding you are going to have a tour of the White House following this get-together. It is a wonderful place. It is the nicest public housing I know. [*Laughter*]

So, I am sure you will enjoy the wonderful opportunity to see the historic places of interest in the White House, and I just wish you a very good year in 1976.

Thank you very much.

NOTE: The President spoke at 2:50 p.m. in the State Dining Room at the White House. In his opening remarks, he referred to Mary Mullen, president of the National Retired Teachers Association, and Douglas O. Woodruff, president of the American Association of Retired Persons. They presented him with a copy of "The Power of Years," a compilation of essays and speeches by Ethel Percy Andrus, founder of the two organizations.

25

Remarks Announcing Intention To Nominate W. J. Usery, Jr., To Be Secretary of Labor. *January 22, 1976*

I WOULD like to say, however, that I am very delighted that Bill Usery is going to be the nominee for Secretary of Labor. His long experience as head of the Mediation Service and the tremendous record that he built up over a period of time of working very successfully with both labor and management in the settlement of some of the most difficult disputes in this very controversial area qualifies him superbly to be Secretary of Labor.

I want to thank Bill for assuming this responsibility, and express to you, Bill, the gratitude of not only myself but, I think, the American people. We are very fortunate to have you available and willing to assume this very tough job here, in which we have a number of prospective disputes, legitimate labor-manage-

ment problems, in the rubber industry, in the automotive industry, in the trucking industry, as well as others. The department will be in very good hands.

Thank you very much.

NOTE: The President spoke at 11:30 a.m. to reporters assembled in the Oval Office at the White House.

Mr. Usery's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 73).

26

Letter to Ambassador Laurence H. Silberman on United States Participation in the International Labor Organization. *January 22, 1976*

[Dated January 21, 1976. Released January 22, 1976]

Dear Mr. Ambassador:

I want to express my appreciation for your willingness to undertake a special mission to European capitals as my personal representative to review our relations with the International Labor Organization. Your background in labor affairs and your diplomatic experience will be particularly valuable in carrying out this important task.

When the United States notified the ILO on November 6, 1975, of its intent to withdraw unless significant change took place, there were several key issues which were, and still are, of grave concern to us: the erosion of the tripartite principle on which the ILO was founded; the denial of due process to some member states; the application in some instances of a "double standard" when the ILO considers alleged violations of human rights; and an increasing trend towards politicization of the ILO. We have long supported the ILO and its objectives, and our notice of intent to withdraw does not mean that the United States has decided irrevocably to take that step. It is our hope that the problems we see in the ILO can be resolved and that U.S. membership in the Organization will continue. Success in achieving our goal will depend in large measure on obtaining the cooperation of other members.

In the course of your special mission, you should convey to the governments with which you consult the importance and urgency that I attach to these issues. I hope that when the depth of our concern is understood, other ILO members will join with us in bringing the Organization back to its original goals and purposes.

I am confident that your efforts will have positive results, and I ask that you keep me informed on the progress of your mission.

Sincerely,

GERALD R. FORD

[The Honorable Laurence H. Silberman, United States Ambassador to Yugoslavia, c/o Department of State, Washington, D.C. 20520]

27

Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *January 23, 1976*

To the Congress of the United States:

I herewith propose, in connection with the transmittal of my 1977 budget, actions that would reduce Federal spending by more than half a billion dollars over this fiscal year and the two following. These proposals reflect the priorities in my new budget—a reduced rate of growth in Federal spending and choices that seek fairness and balance within that restrained growth.

I am proposing—in accordance with the Impoundment Control Act of 1974—16 new rescissions that total $924 million and reporting six new deferrals of $1,858 million in budget authority. I am also revising—by a net $14 million—the amounts for three rescission proposals now pending before the Congress and increasing by $19 million a deferral previously reported.

The details of the proposed rescissions and deferrals are contained in the attached reports. Further information on each of the rescissions proposed by this message and others pending before the Congress is included in Part III of the appendix to the 1977 budget.

GERALD R. FORD

The White House,
January 23, 1976.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of January 23, 1976 (41 FR 4156).

28

Remarks to Members of the U.S. Industrial Payroll Savings Committee. *January 23, 1976*

Thank you very much, Bill, Gabe, George, members of the savings bond committee:

As I was walking over, I was reminiscing a bit about a number of occasions that I have had to meet with the new chairman of the savings bond committee and his committee.

Back in January of 1974, as Vice President, I was privileged to attend a meeting that John deButts was then the new chairman—and had an opportunity to say a few words to the members of that committee.

That campaign was a very successful one. It was a tribute to John and to the committee members that were associated with him. Then, last year, I had an equally enjoyable time when Gabe Hauge took over the responsibility with his committee.

As I was walking over, I noticed the fine accomplishments of the committee under Gabe's leadership, as Bill said, some 2,700,000 either new payroll savers or people who have added to their payroll savings on a weekly or monthly basis.

But what impressed me the most was the fact that you met not only 100 percent of your quota, Gabe, but 109 percent. That is a darn good batting average by any standards. And now I have the privilege of saying a few words with your new chairman, George Stinson.

We were talking, just before we came in, that the $7 billion that you all raised or got Americans to save is a part of our deficit for the current fiscal year of some $70-plus billion. That is a fair share, and I think the Americans who participated made a good investment for themselves and made an equally good investment for their country.

I was impressed with Gabe's slogan, "Good For Americans and Good For America," but I am glad to report to you that the target that George and all of you have will be a much larger percentage of the anticipated deficit for fiscal year 1977. [*Laughter*]

It shows that with good fiscal management and good direction in the handling of our budget, we will have a smaller deficit, and therefore, your participation and success will be a much larger share of what we have to finance or what Bill has to try and finance.

I know what a big effort it is for all of you to take the time to rally those who are going to be called on by you to get individuals in your plants or their plants

to join in this contribution for themselves as well as for their country in our Bicentennial Year.

I think we can generate, because it is our Bicentennial Year, a greater enthusiasm and greater participation. It can be a patriotic effort, one over and above what it does for their own retirement or what it does for the country in the broad sense.

If we can stimulate in this Bicentennial Year, in our beginning of the third century, the kind of enthusiasm that I feel can materialize, your efforts will be more rewarding not only for yourselves but for the country as a whole.

I thank you very much for undertaking the burden and responsibility, and I am positive under George's leadership that you will be successful.

I thank all of you very, very much for doing it in 1976.

NOTE: The President spoke at 3:47 p.m. in the State Dining Room at the White House. He was introduced by William E. Simon, Secretary of the Treasury.

In his opening remarks, the President referred to Gabriel Hauge, 1975 committee chairman, and George Stinson, 1976 chairman.

29

Exchange With Reporters Following Annual Physical Examination at Bethesda Naval Hospital. *January 24, 1976*

THE PRESIDENT. Good morning.

REPORTER. How do you feel, Mr. President?

THE PRESIDENT. I feel fit as a fiddle. Getting healthier every day.

Q. Passed all your tests, as far as you know?

THE PRESIDENT. I think I did with flying colors. Comes from good living, you know.

Q. You are smiling. I guess things are going pretty well then.

THE PRESIDENT. I feel fine, really—a little bright light with the things that are in my eyes, for whatever it is. But other than that, I feel great.

Q. Whatever happened to your experiment with contact lenses? Did that fall by the wayside?

THE PRESIDENT. Well, I wear glasses so infrequently I decided it wasn't worth the effort.

Q. Did you get any advice from your doctors, Mr. President?

THE PRESIDENT. To keep doing all I'm doing—recreation, exercise, watching the calories.

Q. Does that exercise include swimming in this weather?

THE PRESIDENT. I swim every day. I swam last night at 10:30. Come out and join me sometime.

Q. Does this mean, Mr. President, that you are going to be skiing in New Hampshire?

THE PRESIDENT. We'll wait and see.

Q. How are you doing on your weight?

THE PRESIDENT. I weigh less now than I have for 20 years.

Q. So you're all fit for the campaign, then?

THE PRESIDENT. Fit to be President. Nice to see you all.

REPORTER. Thank you.

NOTE: The exchange began at 11:10 a.m.

30

Remarks Upon Signing the Economic Report for 1976. *January 26, 1976*

Good morning.

Before signing the Economic Report of the President, let me thank the members of the Council of Economic Advisers, the Chairman Alan Greenspan, and Paul MacAvoy, and Burton Malkiel.

Any document of this size and of this importance was not put together just by the three members of the Council. It is the result of the effort and the talent, the ability of the whole staff that work under the Chairman and the two members of the Council.

There is one person that I have learned who has a lot to do with some 30 of these reports by various Presidents. Frances James [1] has been with the Council from its inception in 1946. She is concluding—I am not saying she is leaving—but concluding 42 years of very outstanding service in the Federal Government and has had a very significant impact in the preparation of 30 of these reports by the President. And I congratulate her as well as the total staff.

As we move into 1976, I think we have to take a look back at 1975. It was a very tough year, and a great many Americans have deep concerns even today about unemployment as well as inflation. However, the progress that we have made in the latter months of 1975 should give us strong hope and expectations that 1976 will be a far better year.

[1] Chief statistician, Council of Economic Advisers.

We have a steadily improving economy now. And the policies that we followed in 1975 and the policies that we are following today will improve the economic picture in the months ahead.

I think we have to be realistic and look back at 1975, and know that this country went through the sharpest, deepest recession since the end of World War II. But we have made a great deal of progress.

It is encouraging, certainly, that we have as of December some 85 million-plus Americans working in our economic system. Since March, which was the bottom of the recession, we have added approximately 1.2 million to 1.3 million more gainfully employed, and the prospects are that we will continue this upward effort in employment and a reduction in unemployment. The unemployment rate is far too high, but the trend is very encouraging.

If we look at the other concern of the American people—inflation—we also have some very encouraging results at the present time and the forecast is also encouraging. I was looking at the comparison between December of 1974 and December of 1975. The Consumer Price Index in that span of time went up 7 percent, but in the previous 12 months the increase was something over 12 percent. The rate of inflation is still too high, but it is a lot better than it was 18 to 24 months ago.

The interesting thing is that there were a lot of scare tactics during the early part of 1975. Some speculation involved a financial crisis in the United States. It never materialized. There was speculation to the effect that foreign investment, trade, and the like would also collapse; it never took place. There was some speculation about a dollar for a loaf of bread; it never took place. There was speculation about a dollar a gallon of gasoline; it never took place.

We came out of this very sharp recession in good shape. We laid a foundation through good policies so that the future should be encouraging to all Americans. The policies involved a firm, steady, long-range plan for the reviving of the American economy. The policies included cushions to help those who were unemployed, those who were in difficulty for economic reasons. And those programs will be continued as needed.

Lastly, we are seeking to remove and to eliminate those government policies and institutions that handicap competition. As we look to 1976 I am very encouraged. The trends are all right, all moving in the right direction. We are going to do better on unemployment. We are going to do better in trying to control the rate of inflation.

So, I want to thank Alan and his associates for helping me decide some of these tough questions in the last 18 months. Those policies, I think, have been

proven right. And we are going to continue a firm, steady rate of progress in the months ahead.

So, with those observations, I will sign a few copies here.

[*At this point, the President signed the Economic Report.*]

Congratulations and my deep appreciation to all of you. It is good but somewhat hard reading. It is a little better than the one we submitted last year.

Thank you all very much.

NOTE: The President spoke at 11:06 a.m. at a ceremony in the Cabinet Room at the White House attended by members and staff of the Council of Economic Advisers.

31

Annual Message to the Congress: The Economic Report of the President. *January 26, 1976*

To the Congress of the United States:

As we enter 1976, the American public still confronts its two greatest personal concerns: inflation and unemployment. As valid as those concerns are, we should not let them overshadow the very genuine progress we have made in the past year. The underlying fact about our economy is that it is steadily growing healthier. My policies for 1976 are intended to keep us on that upward path.

A year ago the economy was in the midst of a severe recession with no immediate end in sight. Exceptionally strong inflationary forces were just beginning to abate, and the prospects for containing unemployment were not bright.

It is now clear that we have made notable progress. The sharpest recession in the post-World War II period hit bottom last spring, and a substantial recovery is now under way. There were 85.4 million Americans at work in December, 1.3 million more than during March of 1975. While the rate of unemployment remains far too high, it is slowly moving in the right direction. There have also been appreciable advances in reducing the rate of inflation. The increase in the consumer price index was 7 percent between December 1974 and December 1975, down from a rate of more than 12 percent during the previous 12 months.

In reviewing 1975 it is also wise to remember the large number of potentially serious economic problems that did *not* materialize. The financial crisis that

some predicted did not occur. The recession did not deepen into a cumulative depression. There was no collapse in international trade and investment. The price of bread never rose to a dollar, nor did the price of gasoline. We did not experience corrosive social unrest as a consequence of our economic difficulties. While I do not regard the events of 1975 as fully satisfactory by any measure, we should find it reassuring that our economic system withstood severe strains and displayed inherent strengths during the year. I am confident that with responsible and appropriate policies we can achieve sustained economic progress in the future.

Unfortunately there is no simple formula or single act that will quickly produce full economic health. It has taken many years for excessive stimulation, combined with external shocks like the quintupling of international oil prices, to create the economic difficulties of 1974 and 1975, and it will take several years of sound policies to restore sustained, noninflationary growth. I will not make promises which I know, and you know, cannot be kept. We must restore the strength of the American economy as quickly as we can; but in so doing we cannot ignore the dangers of refueling inflationary forces, because unchecked inflation makes steady growth and full employment impossible. The events of the past several years have once again convincingly demonstrated that accelerating inflation causes instability and disruptions, increases unemployment, and ultimately precludes real prosperity.

It is often said that we must choose between inflation and unemployment, and that the only way to reduce unemployment is to accept chronic inflation or rigid controls. I reject this view. Inflation and unemployment are not opposites but are related symptoms of an unhealthy economy. The latter months of 1974 illustrate the relationship betwen inflation and unemployment. Sharply rising prices created a climate of uncertainty and were to blame for part of the massive reduction in the purchasing power of household assets placed in savings accounts and investment securities. In turn, consumers cut back on expenditures; and consequently inventories, already swollen by speculative buying, backed up in distribution channels. By the early months of 1975 there were sharp cutbacks in production and employment. Thus inflation played a significant part in the surge of unemployment, and if we have a new round of inflation it is likely to bring still more unemployment. Chronically high unemployment is an intolerable waste of human resources and entails an unacceptable loss of material production. Clearly, we must attack inflation and unemployment at the same time; our policies must be balanced.

My economic program for 1976 has three parts: First, a long-term continuation of the effort to revive the American economy; second, implementation of the many programs necessary to provide cushions for the unemployed during the transition to a healthy economy; and third, the elimination of Government policies and institutions that interfere with price flexibility and vigorous competition.

I. My key economic goal is to create an economic environment in which sustainable, noninflationary growth can be achieved.

When private spending is depressed, Government can properly absorb private savings and provide fiscal stimulus to the economy. But in the longer run, a viable, steady increase in prosperity is only possible if we have a vigorous private sector. My policies are designed to support the long-term growth of the economy by fostering an environment in which the private sector can flourish.

Increased capital formation is essential to meeting our long-term goals of full employment and noninflationary growth. Although there is no shortage of industrial capacity at the present time, many of our current priorities—to become independent in energy, to improve the environment, to create more jobs, and to raise our living standards—require increased investment. This means that business investment in plant and equipment as a share of gross national product must increase. We must also slow the growth of Federal spending in the years immediately ahead, so that mounting claims by the Federal Government on our economic resources will not prevent an adequate flow of savings into capital investments.

Accordingly, I am recommending that budget savings be refunded to the American taxpayer by means of tax cuts. I have proposed an annual tax cut of $28 billion from 1974 levels, effective July 1, 1976. If we continue in the years ahead to pursue the kind of budgetary restraint which I am recommending, another major tax cut will be feasible by 1979. I strongly believe that the individual wage earner has the right to spend his own money on the goods and services he wants, rather than having the Government increase its control over the disposition of his income.

II. Regrettably, a full recovery of the economy will take time. Overly rapid growth could lead to a renewed increase in inflation that would ultimately be self-defeating. In the interim we must be mindful of those who have lost their jobs or who are in fear of losing the jobs they hold. While the problems of unemployment can be solved only by restoring the basic strength of our economy, the hardships of unemployment and insecure employment require immediate treatment. In December 1974 and in March 1975, I signed into law major ex-

pansions in the duration and coverage of unemployment insurance. These changes eased the financial burden of 3.6 million Americans who were unemployed for a part of last year. Programs in my fiscal 1977 budget will also provide 3.6 million Americans with opportunities for training and employment.

These cushions to unemployment should be viewed as only temporary remedies. They are not a substitute for productive jobs in the private sector. The only way that such jobs can be produced is by restoring the vitality of private industry, which today employs five out of six American workers.

III. Success in promoting healthy economic growth and a vigorous private economy depends to a large extent on our eliminating Government policies and institutions which interfere with competition. Traditionally the American system has relied on competition to organize production and to encourage economic progress. The Government, however, has attempted to correct imperfections in competition by regulating prices and the quality of services in many different industries. This attempt has been less than a complete success. Regulation has been useful in curbing the pricing power of certain monopolies and in fostering the growth of new industries, such as air transportation in the 1940s and 1950s. It has also helped to ensure compliance with such publicly determined social goals as clean air and safe working conditions. But in several industries, regulation has been used to protect and support the growth of established firms rather than to promote competition.

Over the years, Government regulation has also had many other undesirable effects. Besides reducing competition in many instances, it has also imposed on complying firms enormous burdens, which raise business costs and consumer prices.

Increasing competition from world markets and the need to maintain and improve the standard of living of a growing population require constant improvement of the American market system. For this reason I have asked the Congress to legislate fundamental changes in the laws regulating our railroads, airlines, and trucking firms. The new amendments will free these companies to respond more flexibly to market conditions. I have also urged deregulation of the price of natural gas and sought essential pricing flexibility for the oil and electric utilities industries. We will continue to improve all essential protection for public health and safety, trying at the same time not to increase unnecessarily the cost to the public. My object is to achieve a better combination of market competition and responsible Government regulation. The programs I have

advanced in recent months have sought such a balance, and I will continue this course in 1976.

Striking a new regulatory balance is likely to entail some economic and social costs during a period of transition, and changes must therefore be phased in carefully. In the long run, however, a revitalized market system will bring significant benefits to the public, including lower prices.

While our policies focus primarily on the economy of the United States, we recognize that the range of our interests does not stop at our shores. The other major countries of the world are also recovering from the most serious recession they have experienced since the 1930s. Their first economic priority, like ours, is to put their economies on a sustainable, noninflationary growth path. Success in this endeavor, more than anything else, will help developed and developing countries alike achieve higher standards of living.

In recent years the economies of most nations suffered from extraordinarily high inflation rates, due in large part to the quintupling of the world price for oil, and then moved into a deep recession. The simultaneity of this experience demonstrated once again the strong interdependence of the world's economies. Individual countries have become progressively more dependent on each other as a freer flow of goods, services, and capital has fostered greater prosperity throughout the world. Because of this growing interdependence, however, domestic policy objectives cannot be achieved efficiently unless we also take account of economic changes and policy goals in other countries.

In recognition of our growing interdependence, I have consulted closely with the heads of other governments, individually and jointly. At the Economic Summit at Rambouillet last November, I met with the heads of government of five other major industrial countries. There we laid the foundation for closer understanding and consultation on economic policies. During 1975 we also began discussions on international cooperation with both the developed and the less developed countries. This dialogue will assure a better mutual understanding of our problems and aspirations. Finally, I have agreed with my foreign colleagues that, in order to create the proper conditions for lasting and stable growth, we must take important, cooperative steps in monetary matters, trade, and energy. We have directed our trade officials to seek an early conclusion to the continuing negotiations on liberalization of trade. This month in Jamaica we reached significant agreements on strengthening the international monetary system and providing increased support for the developing countries. We have

also begun to cooperate more closely with oil-consuming countries in the effort to become less dependent on imported energy. I intend to consolidate and build upon this progress in 1976.

Of central concern both here and abroad is U.S. energy policy. Without a vigorous and growing industry supplying domestic energy, much of our industrial development in the next 10 years will be uncertain. And unless we can reduce our dependency on Middle East oil, we will not have a sound basis for international cooperation in the development of new fossil fuel and other energy sources.

As an initial step toward greater self-sufficiency, I signed the Energy Policy and Conservation Act in December 1975. I concluded that this act, though deficient in some respects, did provide a vehicle for moving us toward our energy goals. With this mechanism the price of petroleum can be allowed to rise to promote domestic supply and to restrain consumption. At the end of 40 months, under the act, I may remove price controls altogether, and I will utilize the provisions of the act to move toward a free market in petroleum as quickly as is possible and consistent with our larger economic goals. The act offers flexibility, which I have already used to start dismantling price controls and allocation arrangements in fuel markets where no shortages exist. The legislation also establishes a national strategic petroleum reserve which will make our supply of energy more secure and give other nations less inducement to impose an oil embargo.

Measures crucial to our energy future still remain to be enacted, however. Natural gas deregulation is now the most pressing of the issues on energy before the Congress: shortages grow year by year, while the country waits for more testimony on supply and demand, or waits for extremely expensive new synthetic gas plants to replace the natural gas production choked off by price controls. I urge the Congress to make deregulation of new natural gas one of its first objectives in 1976. The legislation I have proposed in order to assure adequate supplies of fuel for nuclear power plants is also critical. If we are to improve our energy situation, these measures are necessary. They will also reinforce our efforts to remove unnecessary and deleterious Government interference in economic activities where the consumer is adequately protected by market forces.

A year ago I said, "The year 1975 must be the one in which we face our economic problems and start the course toward real solutions." I am pleased with the beginning we have made. The course is a long one, but its benefits for all

Americans make the journey worthwhile. The year 1976 must be one in which we will continue our progress toward a better life for all Americans.

GERALD R. FORD

January 26, 1976.

NOTE: The President's message, together with the Annual Report of the Council of Economic Advisers, is printed in "Economic Report of the President, Transmitted to the Congress January 1976" (Government Printing Office, 282 pp.).

32

Remarks of Welcome to Prime Minister Yitzhak Rabin of Israel. *January 27, 1976*

Mr. Prime Minister and Mrs. Rabin, shalom.

Mrs. Ford and I are very delighted to welcome both of you to Washington, our good friends of many years, and we are delighted to see you on this occasion despite the weather.

We hope your visit here and across our Nation, Mr. Prime Minister, will renew many happy memories and deepen the relationship of our two countries. We are proud to have both of you as our guests.

As in the past, Mr. Prime Minister, we meet today in a spirit of warm good will. Your visit gives me the opportunity to reaffirm, on behalf of all of the American people, the enduring friendship of our two countries, the traditional commitment of the United States to Israel's security and survival, and the dedication of the United States to seek, with Israel's cooperation, a peaceful, comprehensive, and just solution to the conflict in the Middle East.

The United States and Israel share a very deep devotion to democratic ideals, a special affinity as two kindred peoples, and common moral and political values that flow from the great Judeo-Christian heritage.

Just as you and I have been friends for many years, Mr. Prime Minister, our two Nations are friends. For almost 30 years since and even before your indedependence, our two peoples have worked together in many fields. My strongest desire is that we continue to work together in the future. Today our cooperation is more necessary than ever in the quest for an enduring peace in the Middle East.

In the agreements we have already achieved by working together, we have established a sound basis for further movement toward an ultimate peace settle-

ment. With statesmanship and courage, Mr. Prime Minister, you have taken the first steps.

The wisdom and determination that you and your nation have so amply displayed thus far will be required in even greater degree in the days ahead. Our tasks remain urgent and important. I know that the people of Israel yearn for peace. All of us share a great responsibility—Israel, its Arab neighbors, and the United States. Our task is to realize this goal together, with realism and with justice. Let us seize this historic opportunity to help translate hopes into reality.

I welcome your visit, Mr. Prime Minister. We can in the next several days, deepen our mutual understanding and trust. We can help to advance the process of peace. We can enhance even further the unique friendship of our two countries. And if other nations also do their part, this year will be recorded in history as another year of steady progress toward the fulfillment of our common dream—the peace that is so fervently desired through the Middle East and by the entire world.

Mr. Prime Minister, I look forward to our discussions and to the pleasure of your company. On behalf of all Americans, I extend our heartiest welcome to you and to Mrs. Rabin.

NOTE: The President spoke at 10:45 a.m. on the South Lawn at the White House, where Prime Minister Rabin was given a formal welcome with full military honors. Prime Minister Rabin responded as follows:

Mr. President, Mrs. Ford:

My wife and I appreciate very much your personal welcome, especially on such a day. According to the Jewish tradition, rain means blessing.

It is a pleasure to be back in Washington and to see around me so many friends. My thanks go to you, Mr. President, for your invitation that enables me to meet with you to express to you respect and friendship.

I am looking forward to our talks, for I know they will advance our common purpose. The purpose is peace—peace in the world and, more specifically, peace between Israel and the Arab countries. Towards that end, the Government of Israel commits its energies.

Mr. President, when the history of this period will be written, your name will be given a permanent place as the leader of the free world who led the struggle for a better, more decent, and more peaceful world for people to live in. Your personal involvement in the cause for peace and stability in the Middle East has been untiring.

Your efforts have not been without results. Under your guidance, America has played an indispensable role in helping to bring about what we all hope will prove to be the beginning of the peace process. We know that it is complex. We know that it is not without risks. But I want to assure you, Mr. President, that we, Israel, will continue to do all that can reasonably be done to help to move that process along.

Your friendship, your wisdom, the energy you devote for peace, and the efforts you make for the welfare of my own democratic people move me to express to you our sincere gratitude.

I am told, Mr. President, that by your invitation I am the first head of government to visit the United States in your Bicentennial Year. This is a special honor for me. It affords me the opportunity to bring a particular message of friendship to all communities across your great country, including the Jewish community with whom we have a profound historic spiritual tie.

The message I carry is "*Shalom* to America" on the occasion of your Bicentennial celebration. It is a celebration we are making in Israel, too. We do so because of the debt that Israel and the whole free world owes to this great country. We do so because of the spirit of liberty, peace, and democracy that gave birth to free America 200 years ago. And we do so because it is identical to the spirit that gave rebirth to my own free Israel 28 years ago.

Mr. President, I am deeply gratified for your invitation and hospitality which enabled me to deliver this message to you personally.

33

Letter to the Speaker of the House of Representatives on the Situation in Angola. *January 27, 1976*

Dear Mr. Speaker:

I want to express to you and to your colleagues in the House my grave concern over the international consequences of the situation in Angola. In the absence of effective Western assistance, the two largest political movements in the country will be destroyed by Soviet armaments and a Cuban expeditionary force.

This imposition of a military solution in Angola will have the most profound long range significance for the United States. The US cannot accept as a principle of international conduct that Cuban troops and Soviet arms can be used for a blatant intervention in local conflicts, in areas thousands of miles from Cuba and the Soviet Union, and where neither can claim an historic national interest. If we do so, we will send a message of irresolution not only to the leaders of African nations but to United States allies and friends throughout the world.

The facts are clear. In the fall of 1974, the USSR began to increase its military assistance in Angola. During the period from March to December 1975, the Soviet Union and Cuba provided almost $200 million in weapons and other military assistance to a minority faction in Angola. The Cubans have dispatched more than 10,000 combat troops, which are right now actively engaged in the effort to destroy opposing factions—factions which command the loyalties of more than 60% of the population and occupy a major part of Angola's territory. For the United States to turn its back on requests for help from these people would be an abdication of our responsibility to play a positive role in international affairs.

The United States has no intention of interfering in internal African affairs. The United States' objective in Angola is to enable the people of that land to determine for themselves their political future. Until the late summer of 1975 the US provided no military assistance to any group. Since then the United States has provided modest amounts of assistance to forces opposing the Soviet/Cuban-backed effort, solely to enable the indigenous majority to stabilize the military situation and to create conditions for a negotiated solution. As was demonstrated at the recent meeting of the Organization of African Unity, a clear majority of the sub-Saharan African countries clearly supported this effort to offset Soviet-Cuban intervention. The US assistance, small as it was, began to

reverse the tide and block the Soviet-backed effort to take over the country by force. However, in September and October, the Soviet Union, with the help of a Cuban expeditionary force, massively escalated the conflict. In response the Administration sought, through consultation with the appropriate Congressional Committees, to gain approval for the reprogramming of $28 million to continue our assistance. (The matter of our assistance in Angola was the subject of 25 separate contacts with eight Congressional Committees.) In concert with this proposal, the Administration launched a determined diplomatic effort to bring an end to the fighting and to find a means to bring about a negotiated settlement acceptable to all of the Angolan parties. Unfortunately, this effort was substantially undermined by the vote of the Senate in December 1975 to cut off US assistance to Angola.

As I have stated on a number of occasions, the US seeks no special advantage in Angola, nor are we opposed to the MPLA faction per se. Our sole objective has been to preserve the opportunity for this Angolan problem to be resolved by Angolans, and not through the application of brute military force by the Soviet Union and Cuba. I believe that resistance to Soviet expansion by military means must be a fundamental element of US foreign policy. There must be no question in Angola or elsewhere in the world, of American resolve in this regard. The response of the United States is a matter of fundamental concern to our friends and allies everywhere. The failure of the US to take a stand will inevitably lead our friends and supporters to conclusions about our steadfastness and resolve. It could lead to a future Soviet miscalculation based upon its perception of that resolve. It would make Cuba the mercenaries of upheavals everywhere.

I bring my most serious concerns over the course of events in Angola and the significance of a Soviet victory there to your attention. I strongly urge the House of Representatives to take them into account in its deliberations on Angola today and vote to disagree with the Senate amendment to the Defense Appropriations Act.

Sincerely,

GERALD R. FORD

[Honorable Carl Albert, Speaker of the House of Representatives, Washington, D.C. 20515]

34

Toasts of the President and Prime Minister Rabin of Israel. *January 27, 1976*

Mr. Prime Minister and Mrs. Rabin and distinguished guests:

It is again a pleasure for us to say *shalom.*

Betty and I have—of course, and all of our guests feel a very special warmth as far as you, Mr. Prime Minister, and Mrs. Rabin are concerned. And our friendship on a personal basis has been one of long standing and a very enjoyable and very pleasant one.

Your 5 years in Washington as the distinguished Ambassador of Israel created many and very warm friendships. Betty and I are two of those friends, and we are deeply grateful for that relationship. And we are obviously delighted to be your hosts tonight.

We are very proud that you are the first head-of-government guest during our Bicentennial Year. And I think that tells us something. The celebration of our Nation's history gives Americans a deeper appreciation of basic values that we share with the State of Israel—the tribute that your country and ours pay to these ideals you expressed in Philadelphia last night.

Both of our nations have had a very painful birth as well as growth. As havens for men and women fleeing persecution, both of our nations find their vitality as well as their strength today in a commitment to freedom and a commitment to democracy and the spirit of free peoples.

Both of our nations, Mr. Prime Minister, have tasted the bitter fruits of war and the struggles that are necessary to preserve independence and security. Both of us know full well in today's world that eternal vigilance is the price of liberty. And we, individually and collectively, will not fail.

I applaud your statesmanship, Mr. Prime Minister. You have shown it over and over again. It has contributed so much that has been achieved so far. I am gratified that our personal friendship and relationship now facilitates the closest consultation on the very complex problems that we face in the problems ahead.

From the moment of Israel's independence, all of America's Presidents, as well as the major political parties, have identified with your freedom and your progress.

America now completes its second century. Israel counts its heritage in thousands and thousands of years and its modern history in decades. Yet, our heritage, your country and mine, are the same.

I think we must take inspiration from the founding fathers of both of our Nations and the principles of justice and freedom which they have passed down to you as well as to myself for the survival of those principles, which is our major responsibility. You are dedicated to that end, Mr. Prime Minister, and all of your people are likewise. And they are an inspiration to all of us.

Israel, Mr. Prime Minister, like the United States, has stuck to its principles and persevered with courage and determination. The unbreakable spirit of the people of Israel remains its strongest defense. And as we reflect on this Bicentennial Year, we are both mindful of the indispensable role that the United States has played in the world as a guardian of stability and defender of freedom.

I want to tell you, Mr. Prime Minister, that I am determined, as I think most Americans are, that America will remain strong and America will remain committed to its allies and to its world responsibilities.

I know that Israel and our other friends and allies depend upon America's strength and America's commitment. Our two nations have been working together for peace in the Middle East. No peacemaking process, as you well know, is easy, but important steps have been taken. And we are proud of the role that America has played in working with your country.

I know that all Americans deeply desire to see the process continued toward its goal of a just and secure peace.

The United States has demonstrated many, many times, including yesterday in the United Nations, that we will oppose measures that we consider unrealistic or unworkable or that make peace harder to achieve. But we have demonstrated at the same time we are committed to seek and to support positive measures, positive moves toward peace.

We will continue the hopeful effort in which we are jointly engaged.

You and I began our discussions this morning in a spirit of friendship and a spirit of common desire for peace. You stated this morning, and many times otherwise, your nation's views eloquently and persuasively.

Ladies and gentlemen, I ask that you join me in a toast to the Prime Minister of Israel and to Mrs. Rabin, to the enduring friendship between Israel and the United States, and to a just and lasting peace in the Middle East.

In the ancient toast of the Jewish people, *lechayim.*

NOTE: The President spoke at 10:15 p.m. in the State Dining Room at the White House. Prime Minister Rabin responded as follows:

Mr. President and Mrs. Ford, distinguished guests:

First allow me in the name of my wife and myself to thank you, Mr. President, and you, Mrs. Ford, for your kind invitation to come over to this country as your guests.

We also cherish our personal friendship for the time that I served here as the Israeli Ambassador. I remember that many times I used to come to your office as the minority leader in the House to ask

for your advice, to get a better understanding about what was going on in this country. And I always came out of your office more encouraged about America, about the Congress, about your determination to do what you believed that should be done here in this country as well as this country's policies towards the world, towards securing peace and freedom wherever and whenever it is possible.

Since you took this office, awesome responsibility of the President of the United States, this is the third meeting between us here. And we have discussed through this period every possibility, everything that can be done to encourage every option, every avenue to move from war towards peace, to achieve tranquility and stability in the area as long as peace has not been achieved. And I appreciated always your attitude that whenever there is a confrontation, the efforts to bring about peace must be done from the standpoint of strengths, because no totalitarian regime will tolerate a weak democracy. And only a strong democracy can expect to achieve peace with dignity, peace that is worthwhile.

I am especially glad, as you mentioned, Mr. President, that I am the first head of government to be your official guest in this Bicentennial Year. I am glad, especially, because I think I represent even though a very small democracy, but it is the only one that exists in the Middle East.

Before we came over I found that when you got your independence 200 years ago, the total population of then the United States was 3 million which is exactly—[*laughter*]—the population of Israel today. And I found that your growth came as a result of the determination of the Founding Fathers to build a country, but in addition to that, by maintaining the basic principle of open gates to waves of immigrants. And your country grew up by the waves of immigrants that came to this great country. We maintain the same policy. And we have grown through immigration and will continue to grow through immigration.

In the last 1½ years we have taken certain steps through the good offices of the United States Government, under your guidance, in the effort to bring about certain moves toward peace. I believe that on our part we did our share. We have taken risks in the hope that a better future might be built not only for Israel but for the whole Middle East, for all countries and for all peoples there.

We are in a country in which war might be imminent. We have fought four major wars in the last 28 years, and between them we have never entertained one day of peace. And after 28 years of war, believe me, Mr. President, if there is something that we aspire to, that we desire, that we are longing for, it is to achieve a real peace.

Allow me to add that when I stayed in this country I learned one thing—that the vaguest word in the English dictionary is "peace," because so many interpretations are given to this word. And therefore, one has to be careful when the word is uttered and no practical and meaningful interpretation is given to that.

And, therefore, for us the meaning of peace that we want to achieve is peace that will give us, as well as to our neighbors, a sense of security to live the way that we prefer to live in our own country and they in their own.

We have done something to bring stabilization to the area, but still the road to peace, unfortunately, is still long. And it will require courage, determination, and skill to navigate the ship of hope of peace until it will be a real one. And in facing all these complex problems, one has not to lose his hope but at the same time to have no illusions in coping with the difficulties that should be overcome.

After the first talk that I had with you, Mr. President, I believed that we realize the difficulties. We are determined to do everything to find ways to cope with these difficulties. And I can assure you, Mr. President, that on the part of Israel every effort will be done to find ways to cooperate with you in the efforts to bring about peace to the area which has suffered so much from wars in the last years.

Allow me also, Mr. President, to thank you personally in the name of the people of Israel for your support through the years, to your support to Israel and to the cause of peace in the area in your capacity as the President of the United States. You mentioned what happened yesterday, and I am encouraged by what happened today. And I would like to thank you very, very much.

And allow me to raise my glass to the President of the United States and to the friendship between our two countries.

Lechayim.

35

Letter Accepting the Resignation of H. R. Crawford, Assistant Secretary of Housing and Urban Development for Housing Management. *January 28, 1976*

[Dated January 27, 1976. Released January 28, 1976]

Dear Mr. Crawford:

In accordance with your letter of January 26, 1976, I hereby accept your resignation as Assistant Secretary for Housing Management at the Department of Housing and Urban Development effective this date.

Sincerely,

GERALD R. FORD

NOTE: Mr. Crawford's letter of resignation read as follows:

Dear Mr. President:

I hereby resign my position as Assistant Secretary for Housing Management at the Department of Housing and Urban Development, effective upon acceptance of this resignation.

It has been my pleasure to serve in this position, and I have decided to move on to personal pursuits within the private sector.

Respectfully yours,

H. R. CRAWFORD

36

Message to the Congress Transmitting Annual Report on the Food for Peace Program. *January 28, 1976*

To the Congress of the United States:

I am pleased to transmit to the Congress the 1974 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This program has supported the foreign policy and humanitarian objectives of the United States, providing assistance to alleviate hunger and promoting economic progress in the developing nations.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the continuing tightness of commodity supplies in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food donations to the drought-stricken African countries remained substantial. In both East and West Africa, U.S. food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was

maintained. Title I concessional sales programs were continued in such countries as Bangladesh, Israel, and Pakistan, and in Indochina. New Title I programs were started in Egypt, Syria, and Chile.

The Food for Peace program continues to be a major portion of the overall U.S. foreign aid effort. Concessional sales programs encourage recipient countries to establish self-help objectives, and provide valuable support to economic development. Most of these programs contain provisions for agricultural market development activities, which are being used as conditions warrant, although the need for such activities has lessened because of strong commercial demand. The Title II donation program continues its emphasis on improving the nutrition of pregnant and nursing mothers, babies, and preschool children.

As this report indicates, the Public Law 480 program completed its 20th year of operation continuing to perform its vital role in rendering humanitarian assistance to the disaster-stricken, promoting economic development in the poor nations, contributing to the development and expansion of foreign markets for U.S. agricultural commodities, and supporting our foreign policy objectives around the world. It remains a key element of our foreign assistance program and a vital link in the improving economic relations between this country and the developing world.

GERALD R. FORD

The White House,
January 28, 1976.

NOTE: The 170-page report is entitled "The Annual Report on Activities Carried Out Under Public Law 480, 83d Congress, as Amended, During the Period January 1 Through December 31, 1974."

37

Remarks at the National Prayer Breakfast. *January 29, 1976*

Congressman Preyer, distinguished guests, ladies and gentlemen:

Our Nation was born 200 years ago poor and very weak. Our leaders were untested and our land remote from much of the world. This continent was mostly a virgin wilderness.

Yet our new Nation displayed extraordinary determination and near limitless capacity for discovery about ourselves and about our future. Our Declaration of Independence surpassed all worldly doctrines in its enlightened pronouncements on human rights and individual liberty.

Our leaders showed that the inspired will and raw courage of our ragged

defenders could defeat not only hardship and privation but the disciplined power of an empire. Our people demonstrated extraordinary belief that their cause was just and that it would prevail.

I think it is well to recall at the start of this Bicentennial Year that it was not might nor wealth which ultimately gained American independence and liberty, but more powerful forces—the unshakable, unbreakable belief of our people in themselves and in their cause. They proved that a people's greatest strength is its own faith.

We are gathered here this morning to recall and to renew that faith—faith in God and belief in the future of our country. We seek to sustain and to increase our spiritual strength at this time of prayer and recollection.

John Muhlenburg wrote in his diary in 1776, about 200 years ago: "There is a time to pray and a time to fight. This is the time to fight." If he were alive today and writing in 1976, he may have written, "This is the time to pray."

Let men and women of faith remember that this Nation, endowed by God with so many blessings, is also surrounded by incredible needs. At the beginning of this century in American history, let us remember Jesus, who, surrounded by needs still early in the morning, went away to a solitary place to pray.

We are one people, one Government, and one Nation. We are, by any name, an indivisible land and people.

Benjamin Franklin, addressing himself to religious faith and worship in God in the society in which he lived, told the framers of the Constitution: "Without [God's] concurring aid, we shall succeed in this political building no better than the builders of Babel. We shall be divided by our little partial local interests. Our projects will be confounded and we ourselves shall become a reproach and a by-word down to future ages."

Today, unlike the times of Dr. Franklin, our Nation is mighty and is wealthy. The many changes in our land in these 200 years may be as frightening as they are wondrous.

This becomes apparent when we ask ourselves this question: Do we have the faith, the belief of Washington, Adams, Jefferson, and others? Has our spiritual growth matched our temporal destiny as a nation?

We know that wealth and power do not measure the greatness of this or any other nation. Our spiritual principles and moral values transcend the physical capacities and the boundaries of our land.

That is why we come here humbly this morning—to ask from God strength and guidance so we may leave our third century a legacy of leadership worthy of the inheritance left us by our forebears.

Often, as I walk into the office, I realize that man's wisdom and strength are not sufficient. So, I try to practice the truth of Proverbs 3: 5–6:

"Trust in the Lord with all thine heart;
Lean not unto thine own understanding.
In all thy ways acknowledge Him,
And He shall direct thy path."

Tolerance, understanding, love—let us pray for all of these because we need them as a people. Let us pray for God's guidance in our pursuit of peace. Let us rediscover our past and renew ourselves in its cherished principles. And then let us begin our journey into this third century with the same faith and the same purpose of our Nation's founders. Let us span the centuries at this moment and unite the past, the present, and the future in spiritual communion.

Let us make it our "earnest prayer," as George Washington did two centuries ago, that "God would graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with charity and humility, and a peaceful temper of mind, without which we can never hope to be a happy nation."

And let us make it our "constant prayer," as Lincoln did more than a century ago, not only that God is on our side but that we "and this Nation should be on the Lord's side."

Finally, let it be said that in this great Nation of ours freedom still flourishes and liberty still lives. As we declare our dependence on God, let us unite in the same bond which united those who signed America's Declaration of Independence 200 years ago.

Let us today reaffirm their pledge, as written in the closing words of that majestic document, that "For the support of this declaration, with a firm Reliance on the Protection of divine Providence, we mutually pledge to each other our lives, our Fortunes, and our sacred Honor."

Thank you.

NOTE: The President spoke at 9:11 a.m. in the International Ballroom at the Washington Hilton Hotel. Representative Richardson Preyer of North Carolina presided at the breakfast, which was sponsored by the United States Senate and House prayer breakfast groups.

38

Remarks to Members of the United States Conference of Mayors. *January 29, 1976*

Members of the Cabinet, distinguished mayors from around the country, ladies and gentlemen:

I am delighted to see all of you here. I have had the opportunity to meet with many of the officers of your organization, representatives of the mayors throughout the country. But it is nice to have an opportunity to say a few words to a group that represents so many people and a group that on a day-to-day basis, works trying to solve the problems that we have through the country in municipal or other local areas.

I know you are going to meet with some of the Cabinet members and others to discuss specifics. So, I will try to stay away from some of the details.

I like to talk very frankly about the things that I see as most important from your point of view and from the point of view of the government and the people as a whole. And let me be very categorical. I think general revenue sharing is in very deep trouble, and unless the mayors and the county officials and Governors get to work, working with us, you are going to end up with no general revenue sharing bill before Congress quits.

This has to be a massive, joint effort. The present law, as you know, expires December 31. Under that law, some $30 billion will have been made available to States and to local units of government. In the message that I sent up to Congress last year, 8 months ago—there has not been any forward movement in the Congress on the legislation.

And if Congress adjourns sometime in the fall without acting on it, there won't be any authorization for the $6,500 million I put in the budget for States and local units of government.

I was talking to some Governors the other day, and they were asking me about it. They have to make up their budgets some time in 1976 for the calendar or fiscal year that begins January 1. And if Congress quits without acting on it, they can't make up a budget to include this kind of general revenue sharing money. And I suspect the same thing happens with municipalities.

So, if you want a general revenue sharing bill, you have to move—working with us, with the Governors, and with county officials. Time is getting very short. Congress has two or three recesses between now and when they are going to adjourn, and the days for affirmative legislative action are getting smaller and

smaller, and I think we have to launch a massive effort to get some action. Time is of the essence.

Now let's talk about some of the other programs that all of you work with on a day-to-day basis, where the Federal Government can be helpful, has been helpful, where the concept of block grant programs, I believe, has been beneficial to the recipients—those you serve and yourselves.

Let's talk about the community development program. In the budget that I sent up a week or 10 days ago, we recommended $3.2 billion—$450 million more than in the current fiscal year. We recognize that all of you in communities have special problems, and we are trying to make sure, under the Community Development Act of 1974, that you are going to not only get the benefit of the consolidation of categorical grant programs—what were there—seven cut down to one—but we also recognize that with a better way to deliver those services, you are going to get more money.

So, when I hear criticism that this administration is not responsive to the needs of local units of government, the facts tell a different story.

Now I would like to say a word or two about four other programs that we are seeking to consolidate so that at the local level you can do a better job of delivering the services—health, education, social services, child nutrition.

The health programs under the categorical grant system, I think, have not been delivered as well as they should. And let me illustrate why they can't be delivered effectively. Have we got that mess chart here?

Let me show you how these health services are delivered: $10 billion from the Federal Government to States and local units of government delivering health services, some 15 different basic programs—$10 billion.

You can't possibly deliver the services effectively with that kind of a system, and what we are trying to do is to consolidate these programs so that the money goes from the Federal Government—that is important—without any matching fund requirement, so that the people who are the beneficiaries get the services much more effectively.

Now, we have the same problem in primary, elementary, and secondary education. The chart looks as bad, if not worse. And what we have recommended in the case of education is the consolidation of—I think there are 27 programs in this area. So, you can imagine it looks much worse than this one with only 15, and we are recommending $3,300 million with $150 million bonus so that nobody can say that we weren't responsive. But nobody can defend that kind of a system.

In the case of child nutrition, it is a little different, but there are some 15 programs there. What we found was that under the programs as they exist currently, around 700,000 children who come from families above the poverty line are getting benefits, and more or less a corresponding number of children below the poverty line are not getting the benefits. Now, I don't think you can defend that. Giving money to the families above the poverty line and depriving children from families below the poverty line—will anybody stand up and defend that? I can't.

So, what we want to do is to make certain and make positive that the children of those families that are below the poverty line get the benefits. It is just that simple. It is a better program, and it won't go through the redtape of some 15 categorical grant programs.

And the same is true in social services. Again, we are trying to make sure that the recipient gets the benefit as intended by the Congress with Federal money, no matching money. We are trying to help you so you will have responsibility and the ability and the capability to run the programs.

We need your help to convince Congress that this is not the way to do it and what we are proposing is a better way to do it.

Let me recapitulate the benefits. We are taking the services that are now being provided with Federal dollars requiring matching and saying to all of you elected officials and your administrative helpers, we will give you the Federal dollars, not require matching, and expect you to run these programs properly and effectively.

Oh, I know there are some people who say you can't trust local officials, you can't trust the Governors. I don't believe that. I have a lot of faith in you people, and I happen to think that if you don't do the job, your constituents will reflect that—but I think you will. And I believe not in taking a Federal program, removing the Federal money, and dumping the requirement on State and local units of government. That is not the way to solve the problem. The way to solve it is to give you the money, give you the responsibility, and know that you will carry out what the American people really believe in.

I just walked over with Secretary Coleman, and we have some good news on legislation that finally got through the Congress—finally—yesterday. It is the rail bill that involves around $6,800 million that gives us the opportunity to help railroads, particularly in the Northeast corridor, gives us the opportunity to get some regulatory reform.

One thing that Secretary Coleman told me as we walked over was that in this

legislation—legislation that we recommended and finally got the Congress to agree to—there is money in there for some 30,000 to 40,000 jobs in the rehabilitation of railbeds and a wide variety of other programs. And Secretary Coleman has promised me that there will be immediate implementation of that legislation. We not only need our rail system working better but we can also, in a constructive way, rehabilitate the railroads so that they can provide the services both for freight as well as passenger service.

There are a number of other programs that I know will interest you, and you, undoubtedly, have a great many questions that you might like to ask. But if we work together—general revenue sharing, some of these consolidation programs—if we work in unison, we can achieve a great deal. I happen to think that we are on the right course in trying to get over the hump of the recession that we had in 1975, where we had very high inflation and unemployment, much too high. But by a firm, steady, constructive program of trying to watch the expenditure of Federal dollars and not going for some of these quick fixes that some people advocated, the rate of inflation is going down. The rate of unemployment is headed in the right direction—down. And we are laying the foundation for a healthy economy with the emphasis—with the emphasis on the private sector, and that is where you get your tax money.

If you have a healthy economy, you can collect and will collect money at the local level to provide the services that your constituents require, and it will give us an opportunity to help you with Federal dollars in better managed programs such as we have proposed.

I am an optimist about America. I believe the system that has given us all these blessings for some 200 years is a better system than some government-managed economy. And working together we can, I think, give us a good year in 1976, and an even better year in 1977.

Thank you very, very much.

NOTE: The President spoke at 2:07 p.m. in the State Dining Room at the White House.

39

Remarks to Delegates Attending the Young Republican Conference. *January 29, 1976*

I am particularly pleased to see so many of you, to see the enthusiasm and to I AM really delighted to welcome you to the East Room of the White House.

know that the Young Republicans throughout the country are alive and kicking, are going to help us win in 1976.

As I was walking over from the Oval Office I was thinking about my first experience in politics. It was in the Young Republicans. The YR's were significant then, the YR's are important today, and the YR's are going to make great contributions in the future. And I thank you all for your efforts now as well as in the future.

I was also thinking about the contributions that younger people are making to this administration. I believe we have more younger people in positions of responsibility in this administration than in any recent administration that I am familiar with. The chief of staff of the White House West Wing is Dick Cheney—34 years old. We have other people not only in the White House but in many other agencies who are able, active, vigorous young people who are laying the foundation not only for success of the administration but for the benefit of the country. And so, we welcome not only your efforts in the YR's but your contributions to good—to better government.

Let me speak, if I might, for just a minute about what we are trying to do and how we are seeking to make it a stronger, more meaningful country as far as you are concerned and literally thousands and millions of others.

In the State of the Union Message, in the budget that I submitted, and in the economic plan or program that was submitted to the Congress just a few days ago, we have tried to do in broad terms the following: number one, a proper balance between the Government on the one hand and the private sector on another; a better balance between the taxpayer on the one hand and those that receive Federal benefits on the other; a proper balance between the Federal Government and State and local units of government; and a proper balance between domestic programs which are essential and our national security.

And let me give you an illustration or two in each instance of what we are seeking to accomplish.

Let's take the role of the national defense—the Army, Navy, Air Force, and Marines—and the contribution that they make, and the role of our domestic programs on the other hand.

In the budget that I submitted for fiscal year 1977, for the first time in the last 10 years we gave a slightly larger percentage of total Federal expenditures for our national security so that the defense of this country will be second to none.

During the last 10 years the Army, Navy, Air Force, and Marines have been getting a lesser and lesser, a smaller and smaller share of total Federal expendi-

tures. The percentage has gone from something like 40 percent down to 24 percent.

At the same time during this decade, the portion or percentage of Federal expenditures for domestic programs have gone up from about 30 percent to the range of about 42 or 43 percent. And the net result has been during this period of time that our deterrent capability, our capability to respond to any challenge of our efforts on a worldwide basis for peace or security, was eroded. And so, in the budget that I just proposed we asked for additional funds, a greater percentage of Federal expenditures so that the security of America will be ensured.

At the same time we have proceeded to finance those domestic programs for the aged, for the less well-off at fully adequate amounts, so that nobody can say that we have lacked compassion, lacked concern. We help the unemployed, we provide training, jobs, and opportunities for those who are temporarily laid off. We provide for the older people. We recommend, for the first time, a program to take care of those who are unfortunately affected by a catastrophic illness, a program that makes sure and certain that individuals who are ill for an extended period of time with either hospital or nursing home care or affected by never-ending medical costs are no longer a drain on their own resources or those of their family. We are trying to get this balance between defense and domestic programs.

The relationship between the Federal Government and States is vitally important. In my time in the Congress there was always a drive, a tendency to concentrate power and authority in the Federal Government with a corresponding reduction in the role or the responsibility of local units of government—State or local.

The feeling during this period of time was that the Federal Government knew how to do the job best and that it was better to undercut the role of locally elected officials. That theory didn't work, and the net result is we piled program after program after program on the Federal Government and we found too many failures. We wasted too much money. We tried to control the lives of individuals from the Federal Government and it didn't work.

Some of those people who promoted this idea for too long a time never seem to understand that a government big enough to give us everything we want is a government big enough to take from us everything we have.

I recognize that there are individuals in our society back in your respective States who need some Federal assistance. But the best way to see that those serv-

ices are delivered is to make certain that it is handled—that the responsibility is in the hands of those elected officials closest to the people.

A far better job can be done in the providing of those services, in the delivery of those services if the Federal Government makes available the money but gives the responsibility to the locally elected officials. And this is what we have tried to do in the budget that I proposed for the consolidation of Federal health programs, Federal aid and assistance to primary and secondary education, Federal assistance in the social services area.

What we have tried to do is to consolidate about 60 programs and to make sure that those programs, when consolidated, that Federal money goes to the States and local units of government to make certain that the people who need the help are given the help.

In the area of division of responsibility between the private sector and government, let me make this observation and comment. We have gone through a tough recession during this past year. We reached the bottom of the recession in March or April of 1975. There were many during that period of time who predicted chaos and confusion and disaster for America. And those people wanted somebody in the Federal Government to turn a switch and solve the problem yesterday.

In the first place, those dire predictions never materialized. We had a hard time—it was difficult—but we adopted policies that said the best way to come out of this problem was not through any vast government program, but to provide confidence to the private sector. And the net result is, since March or April of this past year, we have had about 1,300,000 more jobs provided, mainly in the private sector, and today five out of six jobs in America come in the private sector.

The permanent jobs, the jobs that give great opportunity, are primarily in the private sector. What we want to do is to give an incentive to private industry to provide jobs, employment opportunities, incentives, rewards to people like yourself.

About 2 million young people every year come under the labor market. And if we keep our cool and don't try some quick fix that won't work, then I think the opportunities for those like you will expand. You will have more opportunity to work in those occupations that you want on a permanent basis. And I say to you that you can't solve the problem by telling government to all of a sudden do this or do that.

For 200 years this country has benefited from what is labeled, called, the free enterprise system, an economic system that depends upon private initiative and

not exclusively or predominantly on the part of government. And this system has worked. This system will work. We should not lose faith in it.

If you travel abroad, whether it is in Europe or the Pacific or in Asia, you come back with a feeling that we are fortunate to be Americans, and being fortunate to be Americans, I think we should be proud of America.

As I conclude, let me make this observation. This is a vitally important election year. You may have heard my State of the Union Message. You probably heard the one that came 2 days later by a representative of the other party. [*Laughter*] I didn't see it. I read it. [*Laughter*] I had a lot more fun going to the theater and watching that wonderful person, Pearl Bailey.

But the issue is really joined. We have the issue. We have good candidates for local office, for Congress. We must make sure that we support those candidates. We have to build and strengthen, make more vital the Republican Party organization. We have to raise the wherewithal to conduct the campaigns. And we have to make that individual effort if we are going to support adequately the basic philosophy and those principles in which we really believe.

This is the way in 1976 you can make an everlasting contribution to a better America for 215 million of our fellow citizens.

Thank you very much.

NOTE: The President spoke at 5:21 p.m. in the East Room at the White House.

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Statement Following House of Representatives Vote on the Release of the Report of the Select Committee on Intelligence. *January 29, 1976*

I AM pleased that the House of Representatives has taken proper and responsible action to safeguard classified foreign intelligence information.

This action indicates that a large majority of House Members shares my concern that our legitimate classified national security information be denied to our enemies and potential enemies.

Today's vote shows the House Members recognize that the American people want a strong and effective foreign intelligence capability.

As President, I have a constitutional responsibility to protect national security information. Today's House vote demonstrates that it also takes seriously its responsibility to protect national security secrets.

41

Remarks of the President and Prime Minister Rabin of Israel at a Reception Honoring the President. *January 29, 1976*

Mr. Prime Minister and Mrs. Rabin:

I am delighted to be here and to see so many, many of your friends. We, of course, are very pleased that you are in the United States. I feel, as you do, that the discussions we have had in the 3 days have been very meaningful. I believe they will be very productive. It has been a fine experience for me to renew our personal friendship that existed over a period of years when you were the Ambassador for Israel. It has been for you, I am sure, a great experience to renew your acquaintances with your many, many friends on Capitol Hill. And I am certain, from what I have heard from some of my old friends, your presentation to the Congress yesterday in joint session was outstanding. In fact, I heard it was so good that I am not sure I want to make a State of the Union up there. [*Laughter*]

But let me reiterate what we have said both privately and publicly. The United States, at the present time, as it has been under five previous Presidents, is dedicated to the survival and the security of Israel. We mean it. At the same time, we are dedicated to working with you in moving forward to real peace in the Middle East.

You have been staunch and steadfast in your dedication on behalf of your country and at the same time have shown great statesmanship and leadership in that very difficult area of the world. I can't thank you enough for the opportunity to work with you in the efforts that involve both your country and ours, aimed at the achievement of the kind of life that is needed and necessary for all peoples in the Middle East.

You have done an outstanding job as an Ambassador, and it is a great pleasure and privilege for me to work with you on behalf of what we all have to do in that very difficult area—the Middle East.

I thank you for the hospitality tonight. I hope and trust, as I am sure it will be, that as you travel around the United States in the next 7 days, you will receive as warm a welcome everywhere as you have received in our Nation's Capital.

Thank you very much.

NOTE: The President spoke at approximately 7:10 p.m. in the Regency Ballroom at the Shoreham Americana Hotel in response to the Prime Minister, who spoke as follows:

Mr. President, ladies and gentlemen:

I would like to thank you, Mr. President, for your kind invitation to come as official guests of you to this country. I would like to thank you very much

for the time that you have allotted for the discussion that we have had in the last 3 days about the problems that we face in our region and in the effort to move towards peace.

I am sure that the talks have helped and, I hope, will advance the cause of peace. I think these kind of relations that you offer to me on a personal basis as well as in the relations between our two countries will be an encouragement to the cause of peace in the area. And I would like to thank you very, very much for your personal interest, personal help in doing so.

And, Mr. President, towards the end of my visit in Washington, again, thank you very, very much.

42

Message on the Observance of the Chinese New Year. *January 30, 1976*

MRS. FORD and I send our warmest New Year greetings to our fellow citizens of Chinese ancestry. We hope that the good fortune symbolized by the Year of the Dragon will be with you and your families and that it will also abound in our national life as we celebrate the Bicentennial of our Independence.

We hope that your celebrations of this festive event will be happy and memorable for each of you.

GERALD R. FORD

43

Message on the Observance of International Clergy Week. *January 30, 1976*

IN 1943, four chaplains died heroically in a gesture of unselfish love for others. In the disaster which befell the transport ship *Dorchester,* they gave up their lives in order to save other fellow countrymen on board.

It is most appropriate that Civitan International has dedicated the week of February 1–7, 1976, to commemorate the supreme sacrifice of these four chaplains and in this way to honor clergymen everywhere. I am sure that the members of Civitan are joined by all Americans at this time in expressing appreciation to those who continue to work humbly and to serve both God and man.

GERALD R. FORD

44

Remarks at the Swearing In of George Bush as Director of Central Intelligence. *January 30, 1976*

THANK YOU very, very much, Bill. And may I say at the outset that I fully concur with your observations and comments concerning the quality of the people, and I have no question whatsoever that they will give to George Bush, as they have to me, the fullest support and the greatest dedication.

Bill, as I told you and your family on Monday of my high regard for your 25 years of dedicated and distinguished service with the CIA at the time that I gave you the National Security Medal, I meant every word of it. You fully deserve it, and I wish to congratulate and compliment you for this outstanding record.

For good reason, obviously, you have the full support and deep feeling of all of the people here, and those of us not in the intelligence community are just as grateful for the fine service you have given to your agency and to your country.

General Douglas MacArthur once said that in war there is no substitute for victory. Let me assure you that in peace there is no substitute for intelligence. The time is long overdue for the men and women of the American intelligence community to receive the praise and the gratitude of the Nation that you have so conscientiously served. I have and I will continue to give voice publicly to that gratitude.

As every President since World War II, I depend on you as one of America's first lines of defense. Every morning, as a result of your efforts, an intelligence report is delivered to my desk which is complete, concise, perceptive, and responsible.

As a result, I am fully aware of the tremendous effort, the tremendous teamwork that goes into it and all of the other intelligence reports that I receive that are so vital to the making of sound policy decisions on national security. And let me express my personal gratitude for this fine work.

The appointment of George Bush as your new Director matches a good man with a good team. George Bush assumes the leadership of the intelligence community at a very critical point in its history—critical because national and international attention is focused on your work now as never before.

Because much of your work depends on secrecy and because secrecy adds a new aura of mystery and intrigue, there is the natural tendency for extraordinary

attention to be paid to the intelligence community when allegations are made that it has not functioned as it should.

Past problems, any excesses, the abuses of the past have more than adequately been described. I am concerned about them as I know you are. But one thing is very, very certain: We cannot improve this agency by destroying it.

Let me assure you also I have no intention of seeing the intelligence community dismantled, its operations paralyzed, or its effectiveness undermined. The administration fully intends to safeguard the effectiveness of this agency, the confidentiality of its information, and the lives and honor of its agents and employees.

The irresponsible release of classified information by people who should know better must cease. A better balance must be struck between the right of the people to know and this country's commitment to survive and live in peace.

Accordingly, in the next few weeks after a great deal of study and consultation with experts in this field, I will announce my decisions on the steps I believe necessary to strengthen our foreign intelligence operations. My actions will be designed to ensure that this Nation has what you and I know we must have—the best intelligence capacity in the world.

These actions will be consistent with two very fundamental principles. First, the United States must have a strong and effective capability to gather, to evaluate foreign intelligence and conduct necessary covert operations; and second, these activities must be conducted in a constitutional and lawful manner and never be aimed at our own citizens.

George Bush shares my commitment to these principles. As a former Member of Congress and as the son of a very great man, a distinguished statesman, the late Senator Prescott Bush of Connecticut, George has known all of his life that the people are sovereign and that their rights must be secure.

As a former representative of this Government to the People's Republic of China and as the former United States Ambassador to the United Nations, George Bush is in step with world developments. I know from firsthand, personal experience he is a man of enormous capability, sound moral judgment, and has had an intense devotion to public service. He is fully prepared to guide the policy decisions of this agency and of the entire intelligence community with a depth and a breadth of knowledge that few others have.

George has said that he sees his first task as one of making a tremendous effort to restore public confidence in this fine agency. In that effort he has my full and total support.

I continue to believe that the Director of the Central Intelligence Agency must have direct personal access to the President. George will have this access on a very regular basis and whenever special circumstances require.

With his leadership and with your help, I believe we can make this agency an instrument of peace and an object of pride for all of our people. That is my goal, and I know that each and every one of you share it with me.

Now it is my great privilege and pleasure to introduce Mr. Justice Stewart who will administer the oath of office.

NOTE: The President spoke at 11:07 a.m. in the auditorium at CIA headquarters, Langley, Va. He was introduced by outgoing CIA Director William E. Colby.

Potter Stewart, Associate Justice of the Supreme Court, administered the oath of office.

Mr. Bush's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 101).

45

Letter to the Speaker of the House and the President of the Senate on Administration Actions To Control Federal Travel. *January 30, 1976*

IN RESPONSE to the Congressional request that Federal travel should be controlled to restrain the inflationary impact of Federal expenditures and to conserve the use of energy, I have instructed the Director of the Office of Management and Budget (OMB) to review Administration actions on this matter of mutual concern. Enclosed is a memorandum from the Director, OMB, that outlines actions taken to restain travel.

The enclosed memorandum, with which I concur, is transmitted to the Congress pursuant to section 205(c) of the Supplemental Appropriations Act, 1976 (Public Law 94-157).

Respectfully yours,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

The text of Director James T. Lynn's memorandum outlining the administration actions is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 102).

46

Statement on the Supreme Court Decision Concerning the Federal Election Campaign Act Amendments of 1974. *January 30, 1976*

TODAY'S decision by the Supreme Court calls for quick action by political leaders of this country, as well as by candidates for high office, to ensure that our elections remain free from the undue influence of excessive spending.

As President, I will ask leaders of Congress to meet with me to discuss the need for legislation to reconstitute the Commission or to assure by other mechanisms enforcement of the Federal Election Act as modified by the Supreme Court's decision.

I have asked the Attorney General to review the opinion and to advise me on what steps, if any, should be taken to ensure that our elections remain free from any abuses.

As a candidate for the Presidency, I am calling on others who seek this office to join with me in adhering to the spending limit that had been established under the 1974 law.

I am directing the President Ford Committee to limit its expenditures to that level.

47

Veto of a Milk Price Support Bill. *January 30, 1976*

To the Senate of the United States:

I am withholding my approval from S.J. Res. 121, which would increase the Federal support price for milk and require mandatory quarterly adjustments, for the following reasons:

1. It would saddle taxpayers with additional spending at a time when we are trying to cut the cost of government and curb inflation.
2. It would stimulate excessive production of milk, discourage consumption, force the Federal government to increase purchases of dairy products under the milk support program and build up huge and costly surpluses.
3. It would result in unnecessarily high consumer prices.

Under this bill, government outlays would be increased by $530 million, including $180 million during the 1976–77 marketing year and $350 million

during the subsequent 1977–78 marketing year. In addition, consumers would be required to pay an estimated $1.38 billion more at retail for dairy products over the next two years.

If S.J. Res. 121 became law, the support level for milk would be set at 85 percent of parity, with adjustments at the beginning of each quarter, through March 31, 1978. This would result in substantial increases in the support level over the next two marketing years without taking into account either changing economic conditions or agricultural policies.

In disapproving similar legislation last January, I said: "To further reduce the demand for milk and dairy products by the increased prices provided in this legislation would be detrimental to the dairy industry. A dairy farmer cannot be well served by Government action that prices his product out of the market." This is still the case.

As far as this Administration is concerned, future changes in the price support level will be based, as in the past, on a thorough review of the entire dairy situation. Major economic factors, including the level of milk production, recent and expected farm prices for milk, the farm cost of producing milk, consumer prices and government price support purchases and budget outlays, will be considered. Elimination of this thorough review by mandating an inflexible support price would be inadvisable.

As you know, present legislation provides the Secretary of Agriculture with sufficient flexibility to increase the level of milk price supports between 75 and 90 percent of parity whenever the conditions indicate that an increase is necessary and advisable. The two increases announced by the Secretary of Agriculture last year—one in January and another in October—should make it clear that this Administration intends to provide the price assurance dairy farmers need.

In this regard, to ensure adequate milk price support levels, I have directed the Secretary of Agriculture to review support prices quarterly, starting April 1. If it appears necessary and advisable to make price support adjustments to ensure the supply of milk, the Secretary of Agriculture will do so.

In vetoing S.J. Res. 121, I urge the Congress to join me in this effort to hold down Federal spending, milk surpluses and consumer prices.

GERALD R. FORD

The White House,
January 30, 1976.

NOTE: The Senate sustained the President's veto on February 4.

48

Remarks and a Question-and-Answer Session With Members of the Radio-Television News Directors Association. *January 30, 1976*

LET ME welcome all of you again to the East Room and to say I hope you have had a fruitful, beneficial day in meeting with the many experts in the executive branch, the White House staff. I hope it has been beneficial and helpful.

I can't help but make the comment that Betty and I have a friend in your organization. If any of you happened to watch the Mary Tyler Moore Show last week or so, you may have noticed that we do have a friend in Lou Grant of WJM of Minneapolis. [*Laughter*]

But I have had the opportunity of getting to know some of you as we have traveled a bit, but I think before submitting myself to questions, I might make a comment or two as to what we have been trying to do with the State of the Union, the budget, and the Economic Report.

Administration Policies

[1.] In the foreign field, I think you all know that in this past week I have had rather extensive meetings with Prime Minister Rabin concerning the situation in the Middle East. These meetings with Mr. Rabin followed comparable meetings with President Sadat of Egypt. The Middle East, as we all know, is a very, very potentially volatile area—four wars in the last several decades.

We have made substantial progress with the Sinai agreement, which is moving along on schedule with a minimum of difficulties. Both President Sadat and Prime Minister Rabin have indicated that everything is in place, moving as anticipated and agreed to.

We are now faced with the problem of making certain and positive that the negotiating process continues. It is very difficult to pinpoint precisely how it will move, but we cannot afford and will not permit, to the extent that we can, any stalemate or stagnation. That, of course, would greatly enhance the possibilities of another blowup in that very difficult area of the world.

Just a few weeks ago, Secretary Kissinger came back from a visit to the Soviet Union, where further efforts were made to try and minimize differences between the Soviet Union and ourselves as far as a SALT II agreement is concerned. It is important that we do what we can, if possible, to put a cap on a runaway race

in the nuclear arms field. We are operating under a SALT I agreement, but it, I think, is not sufficient to really find an answer in the long run to the dangerous potentialities of a nuclear arms race.

We haven't reached an agreement. We still have some unresolved problems. But we are slowly and, I think, constructively narrowing the gap. I think it is in the national interest, if we can find a good agreement, to take further action in this important area.

In the State of the Union and the budget and the Economic Report, we have, of course, tried to attack constructively the domestic problems that we face, one of which is trying to determine a proper balance between the role of the private sector on the one hand and the governmental sector on another; also, an attempt to find a balance between the role of the taxpayer and the beneficiary of governmental expenditures; the role of the Defense Department on the one hand and the balance on the other side between domestic programs.

I think we have taken some constructive steps and made some proper recommendations.

In the area of the growth of Federal expenditures, we found that in the last 10 years the rate of growth in the Federal Government in expenditures was about 10 percent—10 to 11 percent. In the budget that I recommended, that rate of growth has been cut to approximately 5½ percent.

We have also made some redistribution in the expenditure of funds proposed for fiscal year 1977, and this relates to the balance between domestic programs and the Defense Department.

About 10 years ago the domestic programs were getting an allocation of approximately 30 to 32 percent, and the Defense Department was allocated roughly 40 to 42 percent. In this current fiscal year, the domestic programs are getting somewhere between 42 and 43 percent, and the Defense Department is getting 24 percent—almost a total reversal of the allocation of Federal resources. The net result is that the Defense Department has been squeezed down and some of our domestic programs have gotten out of hand.

For the first time in 10 years we are giving to the Defense Department a slight increase in the total Federal pie that goes from roughly 24 percent to 25 percent, and we are putting some ceiling on domestic program expenditures. I don't mean to indicate that domestic programs are being unfairly treated, and let me give you some illustrations.

In the case of energy, we have recommended a 30-percent increase in Federal expenditures. In research and development, both basic and applied research,

we have recommended an 11-percent increase, an increase particularly important in the area of basic research.

In the environment, we recommended the expenditure of $3,800 million, a 60-percent increase over the current fiscal year, a 95-percent increase over the expenditures a year ago. So, the environment is getting an increase, a domestic program that is vitally important.

We have also made some recommendations for a better delivery of Federal services, and I speak here of the Federal investment in health, the Federal investment in education, the Federal investment in child nutrition, and the Federal investment in social services.

Now, what we have tried to do is to consolidate a wide range of categorical grant programs—15 in health, 27 in education, roughly 15 in child nutrition—and avoid the duplication and the overlapping that exists in the present categorical grant program. We recommend virtually the same amount of money in the health, education, and social services. In fact, we actually recommend more money. In the case of child nutrition we made some reductions because we found that at the present time, under the existing system, money was going to families where they were above the poverty line and families were being shortchanged in many instances below the poverty line.

We think the money ought to go in those areas for those below the poverty line, and I can see no justification for those programs servicing individuals or families above the poverty line.

What we have tried to do is eliminate this overlap that you may have seen in the various charts—we call them "mess charts." Have you seen those?

Well, how anybody could run a program, how anybody could possibly receive the benefits in an effective and a proper way under the existing system is beyond comprehension. And I think these categorical grant programs contribute very significantly to the complaints that we get from recipients. I think the existing programs invite poor management, and I think the net result is we spend too much money and don't get a proper benefit from them.

Let me speak rather categorically about one other area, because it is very pertinent. A big decision is going to be made in the House of Representatives next week. We have at the present time Federal control over the distribution of natural gas, both as to distribution and as to price. The consequence is that natural gas supplies have been dwindling, and in 11 States it was anticipated we would have severe shortages this winter. Those shortages have not materialized to the degree that we anticipated, primarily, because of a rather mild winter, but there are shortages and they could materialize.

The net result would be interruptible service would be eliminated. We would have a number of factories shut down, jobs lost, and the consequence would be a sever setback to our economy.

The Senate passed before Christmas a good bill—it is called the Bentsen-Pearson bill—which takes care of the immediate problem and also the long-range problem. The House of Representatives is taking up next week, as I understand it, the same legislation. If the House of Representatives does not take action to free the distribution of natural gas, if the House of Representatives continues Federal regulation, we will not provide a needed incentive for more supplies and the House of Representatives will in effect be saying that the shortages that exist today will continue in the future.

So, I hope and trust that you will be watching what develops next week. It is one of the most crucial issues that the Congress will face in 1976.

The regulation has contributed to the shortage. Deregulation, in my opinion, will provide the necessary incentives to generate more supplies and, therefore, I strongly hope that the House will act and follow the vote of the Senate. It is the only long-range solution, in my opinion, to this very serious energy shortage.

With those observations and comments, I will be glad to answer any questions.

QUESTIONS

SUPREME COURT DECISION ON FEDERAL ELECTION LAW

[2.] Q. Mr. President, could you touch briefly on the situation in the U.S. Supreme Court concerning the campaign situation and the election law?

THE PRESIDENT. I have had Ron Nessen issue a statement.[1] I have not had an opportunity to personally analyze the decision. As I understand it, there are four separate decisions, 220-some pages.

What we are doing, the President Ford Committee, we are going to voluntarily comply with the existing law. We think that is the proper procedure as far as my own campaign is concerned.

Secondly, I have asked or will ask the Attorney General to review the decision and to make any recommendations to me. In addition, next week I will request the leaders of the House and the Senate, Democratic as well as Republican, to come down and work with me in trying to see what can be done in a legislative way.

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[1] See Item 46.

In the meantime, I have also urged all Presidential candidates to comply with the spirit of the law that the Supreme Court has acted on.

FLORIDA PRESIDENTIAL PRIMARY

[3.] Q. Mr. President, your national campaign chairman was in Tallahassee about a week ago—Mr. Callaway. He said at the time your campaign was not picking up the kind of momentum it was in New Hampshire and that if it did not gain this momentum your campaign was in trouble. Some other people in Florida had complained about statements like that. Would you react to how well or badly you think your campaign is going in Florida?

THE PRESIDENT. I think we are on the right track. I think the campaign will produce results. We are moving, and I am optimistic as to how we will do in Florida.

UNEMPLOYMENT

[4.] Q. At the briefing today, either Mr. Greenspan or Mr. Lynn [2] hadn't any solution, apparently, or didn't appear to have, to the short-term unemployment problem, and they talked about the long-term problems. In my hometown of Rockford, Illinois, we have led the State in unemployment for over a year. What proposals have you made or are you making that will solve the problems in towns such as that?

THE PRESIDENT. We have had for the last 12 or 18 months several programs. One, the public service jobs program—I think we recommended the appropriation, and I think Congress approved the funds for roughly 300,000 such jobs throughout the country. We have a summer youth program, which I have requested full funding for—around $450 million for the last summer, and I have recommended the same full funding for the coming summer.

We also, of course, recommended the extension of the unemployment insurance to 65 weeks. And in that way, we are trying to cushion the unemployment for those who have lost their jobs, and we are trying to provide on the short term some public service programs.

In addition, last year I recommended an additional $2 billion in expenditures for the Federal highway program, over and above what was the program at that time. We have recommended several other less well-known programs, but the main problem is to get the economy going so that permanent jobs will exist in the private sector.

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[2] Alan Greenspan, Chairman of the Council of Economic Advisers, and James T. Lynn, Director of the Office of Management and Budget.

Five out of six jobs in this country are in the private sector, and they are the permanent jobs, not make-work, quick-fix employment. And what we hope to do is to stimulate the economy with investment tax credits, with incentives for industry to go into high unemployment areas, build a plant more quickly than they would have done otherwise because they could have an accelerated depreciation schedule. That is the best way, in my opinion, on the short run as well as the long haul.

ANGOLA AND U.S. COMMITMENTS TO ALLIES

[5.] Q. Within the last couple of days the leader of the Belgian Government said that the United States could no longer be trusted to defend its allies. First, do you feel that there is justification for that, and second, how would you respond to that?

THE PRESIDENT. The United States can be trusted to work with its allies. The United States will live up to all its alliance commitments. I think what was intended by that comment was the action of the United States Senate and the House of Representatives in precluding the executive branch from spending funds in Angola in support of organizations that we think ought to have an opportunity to participate in the Angolan Government.

The Soviet Union has spent roughly $200 million in Angola. Cuba has at least 10,000 highly trained military personnel in Angola. The net result is the MPLA [Popular Movement for the Liberation of Angola] is the dominant political organization in Angola, and the two other groups, the FNLA [National Front for the Liberation of Angola] and the UNITA [National Union for the Total Independence of Angola], are being beaten militarily by Soviet forces and Cuban forces. We think that the two other organizations ought to have an opportunity to participate and not be driven out of their country.

I am told that the two organizations represent more than a majority of the population. We think there ought to be an Angolan solution to the problem there, and we don't like the fact that the Soviet Union and Cuba are trying to impose their will. But what bothers the Belgian official—and it bothers many other responsible officials around the world—is that where there is a direct effort by the Soviet Union, and in this case Cuba in addition, the United States stands by helplessly. And they are concerned, and I think they have a right to feel that way, even though I know we will live up to any alliance commitments that we have.

Q. Mr. President, are you hopeful that you can convince the Congress to provide aid in Angola?

THE PRESIDENT. The vote was not encouraging. I haven't made a decision whether we will come back and try. The possibility exists. I think it was a serious mistake on the part of the Congress, and I think we will live to regret it.

MILITARY SPENDING

[6.] Q. Mr. President, as to military spending, when will we get some dates and word as to when we will be closing and what bases will be closing and military installations or reductions?

THE PRESIDENT. The Defense Department is always reviewing their base operations. The Defense Department, I am told, has under review a number of prospective base operations. They have not finalized that paper or those recommendations. I can't tell you, because until they do, they are not going to send anything to me. But there is a requirement in the budget for a reduction of about 26,000 employees for the Defense Department—civilian employees. There is no reduction in military manpower. And as they reduce their civilian employment, there will have to be some actions taken to make certain that they operate effectively and efficiently. But the Defense Department has not finalized, as I understand it, any decision in this area.

FLORIDA PRESIDENTIAL PRIMARY

[7.] Q. There are reports that you are unhappy with the situation in Florida to the degree that you want to remove Congressman Lou Frey as your Florida campaign manager. One, are there any plans to remove Congressman Frey, and two, if there are, who will be his replacement?

THE PRESIDENT. There are no plans to remove Lou Frey. He is a good friend of mine. I think he has done a good job, and any speculation to that effect is not well founded.

CAMPAIGN TACTICS

[8.] Q. Mr. President, the former Governor of California has adopted, apparently, an 11th commandment, and now he infers dirty tricks, apparently, on the part of your administration. I wonder if you would comment on that?

THE PRESIDENT. Any allegations as to dirty tricks is completely without foundation. We are running a campaign in full support of the law, and we are running a campaign in full support of the Fair Campaign Practices Committee, and we will stand firmly on that comment.

MIDWEST REPUBLICAN CONFERENCE

[9.] Q. Mr. President, to stay on politics, you are returning to Michigan tomorrow to address a meeting of the Midwestern Republican Conference. Could you give us something on what you are going to tell them or what you hope that meeting will accomplish?

THE PRESIDENT. Well, I think I might undercut the speech I am going to make tomorrow if I gave you a preview of it. So, I think we will have to wait until I give it tomorrow morning.

GEORGE WALLACE

[10.] Q. Mr. President, you commented on your own campaign a moment ago, and I thought it was very interesting. I wonder if you would care to comment on the campaign of George Wallace. Some people seem surprised at the kind of crowds he has been drawing in Massachusetts—CBS did. Were you, and would you comment on his importance in this campaign?

THE PRESIDENT. Quite frankly, I haven't had time to survey the campaigns of the 10 or 11 or maybe 12 Democratic candidates, or the one other candidate in the Republican Party. I am fairly well preoccupied trying to be President and make sure that our own campaign runs effectively.

PRESS SECRETARY NESSEN. Did you want to get the refreshments, Mr. President?

THE PRESIDENT. We will take another question or two.

FAIRNESS DOCTRINE IN BROADCASTING

[11.] Q. Mr. President, do you feel that the fairness doctrine is still a constructive force as it applies to broadcasting?

THE PRESIDENT. I think, generally, yes. I quite frankly haven't gotten into the details of it recently. We don't have any complaints. I haven't heard of any great complaints. So, generally, I would say it seems to work all right.

HEALTH INSURANCE

[12.] Q. Mr. President, under your catastrophic health insurance plan, what help might there be for the family or the elderly couple who is above the poverty line and, therefore, not eligible for Medicaid, but who would be wiped out by the $500 in medical payments?

THE PRESIDENT. Well, under the program of social service, I believe there is a program that would take care of that, but I can't be absolutely certain. Under the Medicare, we do take care of the 25 million who participate. We would ask that they pay the first day of hospitalization. Then they pay 10 percent of the next

59 days. But they never pay more than $500 in any one year, and they never pay more than $250 in doctors' bills in any one year. That takes care of the 25,000 (25 million) in Medicare, and there are 3 million out of that 25 million who would qualify, according to our statistics, as recipients of catastrophic aid. I think under the social services program—and I will have to check this, to be honest with you—that there is care taken for these people, but I will have to doublecheck it.

GRAIN SALES TO THE SOVIET UNION

[13.] Q. The House was told today by an Under Secretary of State that there never really was a grain embargo. I think some farmers in Iowa and some Midwestern States—some have disagreed with that assessment. He said he did recognize that there were problems in using agripower in the world diplomacy. If that is so, how would you solve those problems?

THE PRESIDENT. Well, the Soviet Union, about through the first 6 months of this [last] year, had purchased roughly 9 million tons of grain including corn, wheat, and so forth. They then came in and wanted to buy a substantial amount more, and they eventually bought another 4 million tons, as I recollect. At that time, there was some concern about the production of the corn crop; the wheat crop was not all in. And the net result was we sat down with the Soviet Union and worked out the grain deal on a 5-year basis that provides a certain market of 6 million tons every year and up to 8 million tons, with an escape hatch over the 8 million tons. And we authorized them to purchase another 6 million tons in this 12-month period.

You may have noticed this morning that there is a solid rumor, as I understand it, that the Soviet Union has come in and bought some additional corn, a fairly sizable purchase. I think this is probably going to be done not only in this case but others. I am not saying there was an embargo—there was a hiatus period while we were negotiating a further sale this year and a 5-year agreement overall.

ESTATE TAXES

[14.] Q. Mr. President, in your State of the Union speech you talked about estate taxes, particularly as they apply to farmers and the father handing the farm down to the son. One farm group in Missouri has indicated that you are trying to pull the wool over the farmers' eyes, in that you were just deferring payment of those taxes, not raising the exemption. Would you favor raising the exemption on the estate taxes?

THE PRESIDENT. That $60,000 limitation probably ought to be adjusted, but I think in lieu of that, or as a part of that, what we have recommended makes sense. There is a 5-year moratorium on such taxes. In other words, for 5 years there would not be any Federal estate tax paid, and then for the next 20 years they could make annual payments with 4 percent interest. Now, that is a pretty good way to finance the transfer of a farm from a father to a son. I think that is a reasonable, fair method to permit a family to keep a farm in the family. I think it is fair to the rest of the taxpayers as well.

Now, there probably ought to be an increase in the $60,000, because that was established a number of years ago and there has been an escalation or an increase in the cost of living—but that ought to be for everybody, farmers included. But the main problem that farmers have is they have a $300,000 or $500,000 farm and that is not unusual in this day and age—some of the big farms in Iowa, Illinois, Montana, et cetera—the son can't afford to pay the existing taxes as required under our estate tax laws.

And the proposal I made permits a 5-year moratorium while he gets his house in order, so to speak, and then he gets a 20-year span, and he pays it on annual installments at 4 percent interest. So, I think it is a good proposition.

SCHOOL BUSING

[15.] Q. Mr. President, busing is very definitely in some States an issue in this year's campaign. You said previously that you didn't think it was the most agreeable answer to desegregation. Do you plan to propose any other alternative?

THE PRESIDENT. I have never felt that court-ordered busing was the proper answer to quality education. On the other hand, as President, I am obligated to see that the law is enforced. We have proposed—or I signed a bill, rather, in 1974 or early 1975, that provided a list of steps that should be taken by the executive branch and the court as guidelines in resolving the problem of segregation in school systems. I think that the courts ought to follow those guidelines. I think the executive branch ought to follow those guidelines. If they do, I think it is a better way to achieve desegregation and to provide quality education.

Q. Do you have any other alternative to forced busing as we now know it in several States?

THE PRESIDENT. I think the courts themselves are beginning to find some better answers. They have implemented, beginning this last week, a modified plan in the city of Detroit, and to my knowledge there has been a minimum of difficulty.

Now, what happened was the original order of 2 or 3 years ago was a very harsh order. It called for massive busing, not only in the city of Detroit but in

the county of Wayne. A new judge took jurisdiction of that problem. He modified the court order, modified it very substantially, and apparently it is working. So, I think some good judgment on the part of the courts, following the guidelines set forth in what is called the Esch amendment, is the proper way to treat the problem.

ANGOLA AND U.S. COVERT OPERATIONS

[16.] Q. Mr. President, why was American involvement in Angola initially secret, and do you think that has something to do with heavy congressional opposition to further involvement in Angola?

THE PRESIDENT. Well, the initial involvement in Angola was a covert operation, as there are in many cases. It was relatively small. Every committee—eight committees in the House of Representatives and the Senate were properly notified as required under our arrangement with the Congress. Probably 75 Members of the Congress, House and Senate, knew precisely, quickly, accurately what we were doing there. So, there was no lack of knowledge as required in the arrangement between the executive and the legislative branch, but it was a typical covert operation such as have been going on for 25 years in this country.

Q. Are you satisfied that the typical covert operation really gets results in foreign policy with respect to Vietnam or Angola that you are having trouble with Congress on?

THE PRESIDENT. There was no real covert operation in Vietnam; it was pretty obvious. But there have been a number of covert operations that have been very successful. The covert operations that have been successful have not been well publicized and shouldn't be.

One more.

THE STOCK MARKET

[17.] Q. Mr. President, the tone of your administration's policy for an economic recovery has been that it will be slow and difficult and much of the impetus will come from the private sector. Since the private sector's mood is generally gaged by the stock market, my question is this: Would you attribute the recent dramatic gains in the stock market to (a) moves by your administration to make them feel happier, or (b) is it overly optimistic on the part of the market, or (c)—[*laughter*]—do the blue chip boys know something that we don't?

THE PRESIDENT. Well, I am no expert in the stock market. So, I am not going to make any comment on what it really reflects, other than it must reflect the growing confidence of a great many people in the steps that we are taking to

improve the economy. And what is more indicative is the increase in the various surveys that are made of consumer confidence. Within the last 2 months, in every one that I have seen there has been a very perceptible increase in consumer confidence. That is a good sign, and the stock market in a different way must be reflecting the same thing, and I think for good reason.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you all very, very much.

NOTE: The President spoke at 5:30 p.m. in the East Room at the White House to members of the association attending a briefing by administration officials on the President's State of the Union and budget messages.

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Remarks at the Midwest Republican Conference in Dearborn, Michigan. *January 31, 1976*

Thank you very, very much, Chuck. Governor Milliken, Governor Bennett, Senator Griffin, Congressman Vander Jagt, other distinguished Members of the House of Representatives and the Senate, Mary Louise Smith, our wonderful chairman, members of the national committee, delegates to the Midwest Republican Conference:

I thank you very, very much for this warm welcome, and I congratulate you for this tremendous turnout, which is important as we move into 1976.

I remember very vividly the warm welcome that many of you gave me 2 years ago when, as Vice President, I attended the Midwest Conference in Chicago at the start of the 1974 campaign. Our party was in very low spirits, and some people said our party was dead and gone. The burden of my remarks, as I recall, was that we would come back fighting, if we remembered and remained faithful to the historic mission of the two-party system in America. Parties exist to mobilize the grassroots participation of citizens, to forge party principles from a broad spectrum of opinions and goals, and to recruit, train, and support candidates who will carry out and advance those principles in public office at all levels.

Over the past 2 years we have all given freely of our efforts to accomplish this. Thank goodness, as we start our Bicentennial of independence, the whole world knows the two-party system of free choice is still very much alive in America. And we must continue to preserve it.

And very early in this landmark year, the contending principles and the basic issues before the voters are coming through loud and clear. Already emerging

is a great national debate, not only between our two great political parties but within both of them, over the role of government in the lives of individuals, how much government can or should do for the people, and how best to go about it.

It is very fitting and it is profoundly encouraging that Americans in 1976 are still so deeply concerned and still as heatedly arguing the basic questions that faced the founders of our Republic in 1776.

And these are not philosophical abstractions any more than they were then. The political decisions which the American people will make this year will determine our Nation's future course in the kind of a country our children and our grandchildren will inherit just as surely as the decisions made by the colonial legislatures and the Continental Congress in Philadelphia 200 years ago.

The new realism that I spoke of in my State of the Union Message is not the property of any political party, but the prevailing mood of the American people the length and breadth of our country.

Realism requires that continuing economic recovery and the creation of more meaningful and rewarding jobs must have our highest priority in 1976 and beyond. Here the issue has already been joined, and this is how I see it. Without wartime mobilization, there are two main ways the Federal Government can act to put more people to work. The question is which way should we go?

The Federal Government can create the economic climate and the incentives through changes in its tax policies and other programs which encourage and expedite the creation of productive, permanent, and private jobs; this is what I propose to do. Or the Federal Government can try to create jobs itself. This is what the opposition proposes.

The Congress can vote more money to pay people directly for doing things such as the public works projects of the Great Depression. It can provide funds to State and local units of government to perform public services, as spokesmen for the other side of the question say we should be doing on a more massive scale. Such programs, of course, add substantially to our Federal deficits with all the evils that flow from that danger.

I am not here to argue the opposition's case, but the main objection I have heard is that my proposals to encourage job creation in private business and industry would take too long to show results; that the economic loss we suffer through high unemployment levels justifies much greater Federal spending for Federal job programs.

It is true what I am proposing is not going to get the unemployed back to

work overnight, but it will get them back to work with lasting and secure jobs, not dead end jobs supported by the Government.

Public service jobs or programs have the ring of an instant solution, but they won't solve the problems and may very well inhibit the restoration of a healthy economy. First, the record shows that public service jobs largely displace State and local government jobs which would have been filled anyway. After a year, less than half of such jobs actually add to the total national employment, and after another 1 or 2 years, the net additions to jobs is negligible. The record also shows that these make-work programs take months and years to get started, and once begun, even when they fail or are no longer needed, the programs go on and on and on. Such dead end jobs seldom lead to regular promotion or a meaningful career in the way private employment usually does. Even with the immense growth of governmental levels in recent decades, the fact remains that five out of every six jobs in this country are still in the private sector.

Simple arithmetic tells us this is the place to look for new jobs and for better jobs. This is where the people have been laid off and where they must first go back on the payroll.

I don't need to say that twice here in Michigan, where automobile workers and all the other jobs that depend upon them have been especially hard hit. The good news, however, is that the United States automobile industry is turning around. And in the first 20 days of 1976, new car sales were up 37.2 percent over 1975. But even the most sincere proponents of Federal public works and public service job programs don't contend that the cure for unemployment in the American automobile industry is to build Federal factories to make Federal cars. [*Laughter*] I doubt that the United States Government could make a Model T for less than $50,000. [*Laughter*]

But that is where the argument leads you when you take it to extremes. Common sense, however, avoids extremes of arguments or action. One thing the Government in Washington certainly can do, and the Congress should do quickly, is open up more jobs through my tax incentive proposal for high unemployment areas. Where unemployment is over 7 percent, employers would be given tax incentives for new plant expansion and equipment. This would create new jobs both in the plants that are built and among those who construct the plants and supply the equipment.

And to make sure of prompt results, expansion and modernization would have to start right away, this year. I know this plan will make better jobs faster than another quick fix public jobs program. The clinching argument for stimu-

lating private jobs rather than making public payroll jobs is that it is already working—not fast enough—that is why we need to focus on areas of high unemployment right away. The job creation tax incentives I have recommended at the start of the recession have already helped provide a climate in which total employment has risen by 1,300,000 jobs since last March.

We have already recovered three-fifths of the jobs lost during the recession, and people are now being hired faster than they are being laid off. In the meantime, of course, we will continue unemployment insurance to cushion the hardship of those who want work and still can't find it. We will continue proven job-training and opportunity programs as we work our way out of this recession.

One cannot promise full employment overnight, and I hope nobody does in the coming debate, because it is a cruel illusion. I am determined to stick to the steady course that has brought down the unemployment rate from what it was at the bottom of the recession in March or April of this [last] year without reviving the double-digit inflation that was soaring when I became President.

The rate of inflation that surpassed 12 percent during the year ending December 1974 has been cut almost in half. If my recommendations to the Congress are heeded, we can hold it at 6 percent or less in 1976. This will benefit everybody, especially the needy and those on fixed incomes. But if Congress exceeds my budget and enacts spending programs that increase the deficit and add to inflationary pressures, everybody will lose—particularly the unemployed and the poor and the senior citizens who depend upon retirement pensions.

Although unemployment remains much too high, we are reducing it. Our economy is growing in real terms at over 6 percent a year, and we are reducing substantially the rate of inflation. In addition, the real earnings of those who have jobs now—over 85.5 million—are now growing instead of shrinking. Sustaining sound economic growth with increased production and greater competition to lower costs must be our primary long-range goal.

This goal was reflected in my State of the Union Message and the $394.2 billion budget I submitted last week, which looked to achieving a balanced Federal budget by 1979. This would permit another major tax cut if we continue the kind of budgetary restraint that I have recommended to the Congress.

The heart and the soul of my program is to hold down the growth of Federal spending, which has been averaging 10 percent or more each year for the last 10 years. By matching Federal spending cuts with Federal tax cuts, we can return to the people who work hard and pay taxes more of their own money to spend for themselves. And that is what we must do.

This is not merely a matter of reversing recent trends, which has clearly led to

government taking too much money from the people and borrowing even more. It is also a matter of reviving freedom—the freedom of each individual and family to make day-to-day decisions affecting their own lives.

I recently saw a survey of the 158 nations in the world which concluded that only the United States and 39 other countries provide their citizens with what we call freedom. But even in the free world, freedom can be invisibly threatened by overtaxing and overregulating people to the point where they no longer have the time or the money to do anything except make ends meet.

These are not philosophical abstractions any more than the tax on tea in Boston was 200 years ago. The people are about as fed up with the petty tyranny of the faceless Federal bureaucrats today as they were with their faraway rulers in London in 1776.

But we should remember that our American revolution was unique in that it did not destroy and root up all the institutions of law and representative government which had been implanted on this side of the Atlantic. Instead, it cherished the great principles of the past and improved upon them. The American experiment has been one of trial and error and improvement for its full 200 years. And it is far from finished.

For more than 40 years we have experimented with the notion that the Federal Government can effectively control the economy, provide everybody not only with their needs but also with their wants, decide what is best for Michigan in the same sweeping law that decides what is best for Mississippi, and regulate people in California by the same regulations as in Connecticut.

We have found that much of this just does not make sense. We have found that individuals and families and neighborhoods and communities and cities and counties and States and regions have more important things in common but also important concerns that are different. They know what they need and what they don't need. They can solve their own problems better providing they have the resources to do it.

The Federal Government can help them in the following ways: through Federal revenue sharing, a concept long advanced by our party, which has returned $23,500 million of Federal taxes to State and local authorities to spend as they see fit under local citizen control; through consolidating scores of complicated, overlapping, wasteful Federal programs into a few broad and flexible grants. With this Federal money, the 50 States and their subdivisions can better handle their obligations in such fields as health, education, and welfare. We are all familiar with the food stamp scandals. We all know about the shocking abuses in other welfare programs.

I have asked the Congress for authority to make reforms that will focus necessary Federal help on the needy instead of the greedy.

I am shaking up and shaking out inefficiency and waste wherever I find it. And I will do even more if the Congress will let me.

Waste and inefficiency are not only rampant in Government, too often they are actually promoted by outworn Government policies. We removed the shackles of Federal regulation from the Nation's farmers with astonishing and beneficial results. And we are lucky to have Earl Butz as our Secretary of Agriculture.

But we still cling to Federal price regulations on natural gas which discouraged the development of new supplies and distorts the distribution of our dwindling domestic production. We need my long-range proposed deregulation if we really want to stimulate production and make more jobs.

I say to my old friends in the House of Representatives—some of who are here today—who keep talking about stimulating production and making more jobs—let's vote for deregulation and do it now before the winter is over.

Every day this overregulation of an essential energy resource continues, shortages spread to factories and schools across America. Only a warmer than normal winter in most parts of the country has saved a number of States from critical shortages of natural gas, among them Indiana, Iowa, Kansas, Missouri, and Ohio. But the short-term crisis can still hit us, and certainly the long-range problem remains as long as we have this regulation.

The House of Representatives next week has an opportunity, and I think an obligation, to act affirmatively as the Senate did just before the holidays in 1975. So, I urge you to contact your Members of the House because the date for action is next week. Convince them, as you can, that they should vote for deregulation and provide an incentive so we can get over the short as well as the long-range problem.

In all of these practical improvements I propose that we steer the same steady course the patriots of 1776 took in their political revolution. They did not renounce the Magna Carta and we are not going to repeal social security. They did not throw off a distant government to become 13 totally sovereign nations; rather they brought representative government and rule closer to home. They devised the Federal system that combined the blessings of freedom with the strength of unity. They were realists and men of experience, practical problem-solvers as well as political philosophers. We can be everlastingly grateful that they looked forward instead of back. And we should do likewise. In today's developing debate, I am proud to say that our party is the party of change, and

the other party, or at least many of its leading spokesmen, the party of the status quo.

In American politics the pendulum has swung back and forth from the first debates of Hamilton and Jefferson, always coming down on the side of the ultimate wisdom of the people. The first President of our party is remembered more for himself than for his wonderful words. Yet among the wisest advice he ever gave to practicing politicians was that you can't fool all of the people all of the time. Lincoln's advice is just as true today. I believe we are heading in the right direction as a nation, and I say to you that we must also head in the right direction as a party.

It was particularly encouraging to me to hear the spokesman for the other party agree that we can't go back to the old days, that we must not be afraid of change, and that there are no man-made problems that we as people cannot solve.

Yes, this year we are the party of change. We have turned our back on those old ways. We have turned away from the discredited idea that the Federal Government can solve every problem just by spending more of your tax money on it. Yes, we know that a government big enough to give us everything we want is a government big enough to take from us everything we have.

We are on the side of individual freedom. We are on the side of common sense. And we are going forward to victory in November of 1976.

Thank you.

NOTE: The President spoke at 11:06 a.m. in the Hubbard Ballroom at the Hyatt Regency Hotel. In his opening remarks, he referred to Charles Slocum, Minnesota Republican State chairman, and Governors William G. Milliken of Michigan and Robert F. Bennett of Kansas.

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Remarks on Arrival at Langley Air Force Base, Virginia. *January 31, 1976*

General Dixon, Colonel Moore, distinguished and dedicated members of the Armed Forces, both military and civilian:

I am very grateful, most indebted to you for this very warm and overly generous welcome. And I thank you very, very much.

It is a great thrill for me to be on Langley Air Force Base and to know that we have military and civilian personnel from Fort Monroe, Fort Eustis, as well as from the Navy installations at Norfolk.

All of you make a great team, a great team that makes all of us as civilians secure and able to carry out our responsibilities to make a better America.

All of you do sacrifice, all of you are in the frontline of preserving the peace and and making certain that freedom exists around the world.

I can say without any hesitation or qualification that some 215 million Americans know that we are safer and better because of the competence and the capability, the readiness of all of you who are so important in preserving peace.

Let me simply conclude by saying that Langley Air Force Base has had a long and wonderful history, going back some 60 years. It now performs a very vital function as a part of the Tactical Air Command.

Last fall—or the fall of 1974—I was in Arizona and saw the delivery of the first operational units of the F-16 [F-15]. And I can tell you that that meant a great deal, not only to those who were there in training but to all of us who know that that equipment is vitally important for our national security.

It is the same for any of the other equipment that is used by the Army, the Navy, the Air Force, Marines, or the Coast Guard. We need to make certain and positive that you have the best in hardware so that your capabilities can be utilized to the fullest. And I pledge to you that we will provide the funds in order that you do have the best equipment, that you can perform your job in a military or civilian area for the protection of our great country.

I thank you again for the efforts that you make in the pursuit of peace and the success that you have had in the preservation of freedom.

Thank you very, very much.

NOTE: The President spoke at 2:45 p.m. In his opening remarks, he referred to Gen. Robert J. Dixon, Commander, Tactical Air Command, and Col. Joseph D. Moore, Base Commander, Langley Air Force Base.

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Address Before a Joint Session of the Virginia General Assembly in Williamsburg. *January 31, 1976*

Mr. Speaker, Governor Godwin, Mr. Justice Powell, members of the Virginia congressional delegation, delegates to the General Assembly, distinguished guests, ladies and gentlemen:

I am highly honored to speak before this special joint session of the Virginia General Assembly—my first address of 1976 devoted to the national Bicentennial. Your assembly is the most appropriate forum in America for a discussion of self-

government in the 200th year of our nationhood. Today, in this Hall of the House of Burgesses, you continue our oldest representative legislative body, a living shrine of the American heritage.

There would be no Bicentennial without the concept of self-government which began in Virginia in 1619. We meet today where the representatives of the people of Virginia perfected America's legislative process. It was here that brave Virginians challenged the oppression of a distant and unresponsive regime that sought to impose taxation without representation and government without the consent of the governed.

The Virginians created a new way of life strikingly different from the lives of the common people of Europe of that day. When the first settlers landed at nearby Jamestown, they brought the seeds of an idea that would make men strive for local control over the fate of local people.

America's most moving chronicle is how Virginians defied the centralized authority represented by royal governors and tax collectors appointed by a king of another continent. The momentous events that began in Virginia culminated in this great Bicentennial.

The process that started in 1619 led to Patrick Henry's defiant outcry for liberty or death, to George Mason's Virginia Declaration of Rights, to Thomas Jefferson's role in formulating our Declaration of Independence, and the services of yet another member of Burgesses, George Washington, as Commander in Chief and the first President of the United States of America.

As 38th President, I commend those whose initiative and patriotism has preserved and restored colonial Williamsburg. The Colonial Williamsburg Foundation serves the world by vividly reconstructing America's heritage.

Yet, in this Bicentennial Year, we must do much more than maintain the treasured structures of our national legacy. We must revive the cherished values of the American Revolution with a resurgence of the spirit that rang forth in the streets of Williamsburg in colonial times. I commend the instructive creed of the Colonial Williamsburg Foundation: "That the future may learn from the past." We venerate the contributions of the Founding Fathers with timely and appropriate words of tribute. To keep faith, we must strive for the responsible self-government that they sought.

Patrick Henry, advocating national unity in Philadelphia, said: "I am not a Virginian, but an American." I believe that Patrick Henry would take one look at today's America and proclaim: I am not only an American but also a Virginian who believes in local control over the fate of local people.

George Washington warned against the danger of the centralized power of

government. Yet we find ourselves in a Bicentennial Year when we look back with something less than pleasure at the erosion of State and local authority. Indeed, America has now reached the point where the Federal Establishment employs over 3 million people. This is more than the combined population of all the Thirteen Original States when the Virginia Convention reserved to your people and to your State government all power not bestowed upon the National Government.

The Founding Fathers understood that a self-governing republic could not exist if people did not possess the traditional virtues of self-discipline, self-reliance, and a patriotic concern for the public good. "Republican Government," said James Madison, "presupposes the existence of these qualities in a higher degree than any other form."

In earlier years, the American political system worked so well that we accepted it as a tradition. We did not question why it worked. We assumed only that its magical providence would continue forever. In the 18th century, Jefferson and Adams agreed that self-government, as they understood it, involved a lifestyle dependent upon qualities they called "Republican virtues"—attributes that would make democracy possible.

When our State constitutions were adopted, great care was taken to preserve fundamental principles of self-government. The States demonstrated that the real strength of American self-rule is that truly free people do not make a contract with a centralized government, but only among themselves.

The Founding Fathers favored what they called "mild government." Their premise was that you can only achieve mild government if you maintain local government so responsive that national government is limited in scope. They believed in the ability of individuals to govern themselves. In recent years during an era of rapid change, more and more people looked to Washington to solve local problems. The view of too many was that the world's richest and most powerful nation could do anything and do it instantly. Too much was expected and too much was promised.

Can you really expect a huge government to give you everything but to take away nothing? Can we afford massive taxes to finance not only rising expectations but also rising entitlements? I refer to the escalation of material things some citizens feel automatically entitled to, without regard to their own efforts or to their personal contribution to the economy.

Freedom is now misinterpreted by too many to mean the instantaneous reform of all social and economic inequalities at the public expense through the instrumentality of the Federal Government. In pursuit of that quest, the Federal

bureaucracy was expanded. Power was drained away from the towns, from the cities, from the States to an increasingly centralized National Government—always bigger, always more powerful, though not always more efficient.

If this course is pursued, it will mean much less incentive to create capital and jobs and much more inflation. Two hundred years ago, men of vision understood that poverty is abolished by economic growth, not by economic redistribution. They knew that only a self-disciplined person can create a society in which ordered liberty will promote both economic prosperity and political participation at every level.

The founding of America was more than a political event. It was an act of political faith, a promise to Americans and to the entire world. Inherent in the Declaration of Independence was the message: People can govern themselves. They can live in freedom with equal rights. They can also act in accord with reason and restraint and for the respect of the rights of others and the total community.

As we celebrate this Bicentennial, some citizens continue to glorify instant gratification over everything else. Some seek change merely for the sake of change, and some heed emotional desire rather than common sense.

Our Nation's founders believed that civic virtue was a willingness to suspend the pursuit of immediate personal interest and personal gain for the common good.

An excellent theme for this Bicentennial would be the revival of civic virtue.

American self-government is the most stirring and successful political experiment in history, but its ultimate success requires new concentration on duties and responsibilities as well as demands and desires.

We must regain the same willingness to work as those who built a colonial capital on this site, the same open mind as those who envisioned our freedom, the same sense of responsibility as those who preserved it. We must enshrine our rights but carry out our duties.

Let us evaluate what is possible with the commonsense balance of what is practical.

As a young Congressman, I listened in the 1950's to the warnings of President Eisenhower. He said unless we preserve the traditional power and basic responsibilities of State government, we would not retain the kind of America previously known. We would have, instead, quite another kind of America.

The pendulum has swung since very far in the direction that President Eisenhower feared. But I am today confident that the will of the people, voiced here

and all across America, is beginning to bring the pendulum of power back to the balanced center.

The preservation of the 50 States as vigorous units of government is vital to individual freedom and the growth of real national strength and character. Yet, it is useless to advocate States' rights without simultaneously honoring the responsibilities of the States. An objective reassessment of State responsibilities can reduce central authority while strengthening State and local governments. The States can regain and reassert traditional rights and responsibilities if we remove the Federal barriers to responsive government, restore responsible taxing and fiscal systems, and encourage local initiative. But if the States fail to act, Federal power will move even more deeply into a new vacuum created by political expediencies and pressures.

We must, above all, see that government remains responsive to the real and legitimate needs of the American people. And we must make sure that in meeting those needs, each level of government performs its proper function—no more and no less. This is essential to preserve our system and to draw new energy from the source of all governmental power—the people.

Before the King's agents dissolved the House of Burgesses prior to the American Revolution, members of the Burgesses often disagreed, but they shared a common faith that led to the common glory. It did not matter whether they met in Raleigh's Tavern or in the designated chamber. They trusted one another and worked together in the common interest. They shared their confidence with like-minded people in every other colony.

This trust is manifest in our flag with its alternate stripes and stars, which share the same galaxy. It is inherent in every presumption on which our free system is based. Much has changed in American life. Yet, the Bicentennial can remind us of those values we must preserve and the mutual cooperation and confidence that we must restore.

Any real Bicentennial observance demands the capture of the new spirit from the old. It is the redemption, in a new reality, of the essence of the Virginia Declaration of Rights, of the Declaration of Independence, and of the United States Constitution. These documents are something more than compacts of government. They were and still are expressions of the will and the spirit of the people.

If the Bicentennial is to be more than a colorful, historical pageant, we must restore on local and State level the opportunity for individuals to have more say in how their taxes are spent, in how they live, in how they work, in how they fight crime, in how they go to school.

Should the Bicentennial accomplish nothing else, this alone would be a resounding triumph—a fitting tribute to our heritage.

I believe in America as all of you do. I reaffirm my faith in the unique value of a government of shared responsibility. I believe in our capacity to foster diversity with unity, to encourage innovation and creativity, both privately as well as publicly, and to achieve a proper balance between the National and our State governments. The vision of this House of Burgesses, first expressed 357 years ago in colonial Virginia, remains vivid. It is a vision of a State and of a nation where the government serves and the people rule. It is the vision of the supremacy of God and the dedication of man. As George Mason, author of the immortal Declaration of Rights, said of this historic place where we meet today: "We seem to have been treading on enchanted ground."

Thank you for allowing me to share this enchanted ground with you in this enchanted year.

Thank you very much.

NOTE: The President spoke at 4:05 p.m. in the Hall of the House of Burgesses. In his opening remarks, he referred to John Warren Cooke, speaker of the house, Virginia General Assembly, and Associate Supreme Court Justice Lewis F. Powell, Jr., chairman of the board, Colonial Williamsburg Foundation.

52

Toasts of the President and Governor Mills E. Godwin of Virginia at a Dinner in Williamsburg. *January 31, 1976*

Governor Godwin and distinguished citizens of the great Commonwealth of Virginia:

There is no way that I can adequately express my appreciation for the opportunity to participate in this wonderful day in the history of the Commonwealth. I have had a long experience with wonderful people from this State, people in private life as well as in public life. It has always been a great thrill to me to have lived in part in the Commonwealth and to have seen this great State grow and become a tremendous influence and have a great impact on our Union.

In coming down here I had the opportunity to do a little more reading about the great history of Virginia. And it is a thrill and it is an inspiration to have been a very small part of a great history of a great State—one of our Thirteen Colonies—of a growing, burgeoning, vitally important part of our 50 States.

I thank you all for your hospitality, and I thank you, Governor Godwin, for

your very generous comments. I wish you all the very best in our third century of a great history of a great Commonwealth in a great country.

NOTE: The President spoke at approximately 10 p.m. in the Virginia Room at the Williamsburg Lodge. The dinner was hosted by the Colonial Williamsburg Foundation.

The President spoke in response to a toast by Governor Godwin, who spoke as follows:

Mr. President, distinguished friends one and all:

It seems to me that in the two centuries that have passed, which we celebrate today, that this Commonwealth has had many great days. It had many great days two centuries ago. It has had many in the intervening years. But by any comparison, today and tonight must certainly rank with one of the great days in the history of the Commonwealth. We have been truly honored by the presence here of the Chief Executive of the greatest land in the world today.

Suffice it for me to say no more than to express to him the appreciation of us all for his presence here.

Now will you rise and join with me in giving a toast to the President of the United States of America.

53

Remarks at the Swearing In of Elliot L. Richardson as Secretary of Commerce. *February 2, 1976*

Mr. Chief Justice, Secretary-designate Richardson, members of the Cabinet, Members of the Congress, distinguished guests:

It is a great honor and privilege for me to have the opportunity of saying a few words and then introducing to you the new Secretary of Commerce.

Elliot Richardson is a favorite son of the Commonwealth of Massachusetts. He, of course, served with distinction as attorney general and lieutenant governor. He has served successfully and successively as Under Secretary of State, as Secretary of HEW, as Secretary of Defense, as Attorney General, and then, of course, as our Ambassador to Great Britain. And now he is about to embark on his sixth major Federal appointment.

In that capacity, he will have a great responsibility in carrying out the administration's programs and policies in the economic field. He will, of course, work with me in trying to implement the programs we set forth in the State of the Union Message, the budget message, and the economic recommendations.

We all know that in the last year we went through the deepest recession since the end of World War II, but we are now on the upswing, and I think we are moving ahead very well and very solidly and very constructively.

The fact that we had this recession was something that we didn't like, but we showed strength as a country and as people, and the net result is we are moving ahead and moving ahead properly.

The programs that I have tried to set forth are realistic. They are common

sense. They don't raise false promises or false hopes. They are aimed at generating the kind of constructive action that our system of government and our economic system will need in bringing real jobs, permanent jobs to the workers of this country. They will be permanent, and they will have a future.

I believe that Elliot Richardson is the person who can move in and carry out these policies with dedication, with intelligence, and with a background of experience that he has had in the Federal Government.

It will be a great addition to the Cabinet. He will be a great deal of help to me. And I know that he will have the full confidence of the American people, based on his outstanding record and all of the other accomplishments and achievements that will be evident to everyone.

And it is now a privilege and a pleasure for me to ask the Chief Justice to swear Elliot in, I understand for the fourth time, as a member of a President's Cabinet.

Mr. Chief Justice and Secretary of Commerce-designate Elliot Richardson.

NOTE: The President spoke at 2:10 p.m. in the East Room at the White House. Warren E. Burger, Chief Justice of the United States, administered the oath of office.

Secretary Richardson's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 120).

54

Letter Accepting the Resignation of Ambassador Daniel Patrick Moynihan, United States Representative to the United Nations. *February 2, 1976*

Dear Pat:

Your letter of January 31, expressing your desire to return to the teaching profession, reached me today. I will, of course, accede to your wishes with the deepest regret and reluctance.

In your letter you mentioned the years you have devoted to public service in the last two decades. You did not mention the enormous positive impact that those years have had.

In every task you have undertaken you have consistently elevated public discourse by puncturing pretense and by eloquently advocating the cause of reason. Nowhere has this been more evident than in your service at the United Nations, where you have asserted our position forcefully, cogently and honestly. In doing so you have not only reminded Americans that we take that institution

seriously but also that we take ourselves and the principles for which we stand seriously.

For this service, which most appropriately you have rendered on the occasion of our 200th year, your fellow citizens owe you a debt that can never adequately be repaid. On their behalf Betty and I offer our profound thanks to you and Elizabeth for your service to the Nation.

With warmest personal regards,

Sincerely,

GERALD R. FORD

[The Honorable Daniel P. Moynihan, U.S. Representative to the United Nations, New York, New York 10017]

NOTE: Ambassador Moynihan's letter of resignation read as follows:

Dear Mr. President:

Today is the last of my leave from the University. I must return now, or must give up for good my professorship there and, in effect, give up my profession as well. The effort to persuade myself that this is a kind of personal fate that must be accepted has not succeeded. I have spent almost five of the past eight years in government, nine of the past fifteen, thirteen of the past nineteen. It is time to return to teaching and such are the conditions of my tenure that I return now or not at all.

It has been, for me, a high honor to serve as your Ambassador to India during the latter part of my stay there, and more recently as your representative at the United Nations. Indeed I was scarcely back from the former post before you asked me to take up the new one. You have been unfailing in your encouragement and support and I have with the fullest commitment sought to carry out your general policies and your specific instructions. For that opportunity I am permanently in your debt, even if I must with a heavy and still divided heart, now depart your service.

Most respectfully,

DANIEL P. MOYNIHAN

[The President, The White House]

55

Message to the Senate Transmitting the United States-United Kingdom Extradition Treaty. *February 3, 1976*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, together with a Protocol of Signature and an exchange of notes, signed at London on June 8, 1972. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty, one of a series of extradition treaties being negotiated by the United States, significantly updates the present extradition relations between the United States and the United Kingdom and adds to the list of extraditable

offenses both narcotic offenses, including those involving psychotropic drugs, and aircraft hijacking.

The Treaty will make a significant contribution to the international effort to control narcotics traffic and aircraft hijacking. I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

GERALD R. FORD

The White House,
February 3, 1976.

NOTE: The treaty and accompanying papers are printed in Senate Executive A (94th Cong., 2d sess.).

56

Message to the Senate Transmitting the United States-Spain Extradition Treaty. *February 3, 1976*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a supplementary treaty on extradition between the United States and Spain, signed at Madrid on January 25, 1975.

The supplementary treaty modifies our treaty on extradition with Spain by increasing from 30 to 45 days the period of time during which a person may be provisionally arrested and detained pending presentation, through diplomatic channels, of documents in support of an extradition request. This change is in keeping with modern extradition treaties and is intended to prevent the release of an arrested person for lack of properly prepared extradition papers.

I transmit also for the information of the Senate the report of the Department of State with respect to this supplementary treaty.

I recommend that the Senate give early and favorable consideration to the supplementary treaty, and give its advice and consent to ratification.

GERALD R. FORD

The White House,
February 3, 1976.

NOTE: The treaty and accompanying papers are printed in Senate Executive B (94th Cong., 2d sess.).

57

Remarks at a News Briefing on General Revenue Sharing. *February 3, 1976*

Good afternoon.

I just came from a meeting with the Vice President, representatives of the Domestic Council, the Treasury Department, and others discussing how the administration can affirmatively promote the extension of the existing Revenue Sharing Act, general revenue sharing. This, of course, was enacted in 1972.

So far the Federal Government has distributed roughly $23½ billion to some 38,000 to 39,000 State and local units of government. The money has been spent in a broad range of local and State activities.

The interesting thing to me was that with the $23½ billion that has been expended by the Federal Government to State and local units of government, the overhead cost has been one-twelfth of 1 percent, which shows that you can take Federal money and redistribute it to State and local units of government with a minimum of overhead.

The net result is the States have and local units of government have gotten back virtually all of the money that was taken from them, and they now and will in the future have this money for the necessary local services that they do perform.

One other point. The Congress was asked by me last year, I think in July, to immediately undertake the reenactment or the extension of the existing general revenue sharing legislation. Thus far there has been no subcommittee action on this legislation. Time is running out.

Let me give you a concrete illustration. I met with some mayors last week—three or four of them—from the State of Ohio. They have to publish their budgets for the 12 months beginning January 1 by the middle of 1976. So, unless this legislation is enacted or extended beyond January 1, any municipality in Ohio will have to show that there will be no general revenue sharing money coming, which means they will either have to show a reduction in services or they will have to show, if they want to extend the services, an additional State or local tax.

Now, this puts municipalities, this puts States in a very difficult situation unless we get some affirmative action from the Congress.

I have asked the Vice President, who spearheaded the drive for the enactment in the first instance in 1972 of general revenue sharing, to use his talents to con-

vince the Congress that it must act promptly. I believe that he will work with Governors, with State officials in general, with county officials, and with city officials to convince the Congress that delay or a failure to act would be catastrophic in the meeting of local needs or State needs.

The Vice President knows how it was done in 1972. I am sure that he will be successful. But time is rapidly running out, and Congress has an obligation to move now if we are to save cities, counties, and States from a serious financial setback.

So, Mr. Vice President, would you tell them how you are going to do this?

NOTE: The President spoke at 3:55 p.m. to reporters assembled in the Briefing Room at the White House.

58

Remarks Upon Signing the Railroad Revitalization and Regulatory Reform Act of 1976. *February 5, 1976*

Mr. Secretary, distinguished Members of the Congress, distinguished guests, ladies and gentlemen:

It is really a great privilege and pleasure for me to participate in the signing of the Railroad Revitalization and Regulatory Reform Act of 1976.

As all of you know, this act provides for a comprehensive restoration of the health and the vitality of our Nation's railroads. This legislation is the product of lengthy negotiations and, I think, intelligent cooperation between the Congress and the executive branch of the Government.

I commend you, Secretary Coleman, as well as the Members of the Congress who participated, for your very farsighted and effective efforts.

This bill, fortunately, encourages the revitalization of our deteriorating rail freight system, both in the Northeast as well as nationwide. It provides badly needed financial assistance to help the railroads improve their physical plant and encourages the desired restructuring of our railroad system. It makes substantial improvements possible in rail passenger service in our densely populated Northeast section.

Congress, in approving this legislation, has taken a very fundamental step to restore the long-term economic health of this very essential and necessary part of our economic system.

The regulatory reform provisions in this bill are long overdue. Every President since Harry S. Truman, both Republican and Democratic alike, have called in vain for increased competition and reform in our regulated industries.

But the Railroad Revitalization and Regulatory Reform Act, which I am privileged to sign today, is the first significant reform of transportation regulation by any administration or any Congress.

I hope and trust that we will continue in other ways in regulatory reform. And I ask my friends in the Congress to cooperate in those instances as much as they did in this. I think it will be in the best interests of our regulated industries and, particularly, in the best interest of our consumers.

It is now my privilege and pleasure to sign this rather substantial document. [*Laughter*] And again, I congratulate Secretary Coleman and his staff, as well as the Members of the Congress who labored long and hard and effectively in the best interests of our Nation as a whole. I congratulate all of them.

NOTE: The President spoke at 2:05 p.m. at a ceremony in the East Room at the White House. In his remarks, he referred to Secretary of Transportation William T. Coleman, Jr.

As enacted, the bill (S. 2718) is Public Law 94–210 (90 Stat. 31).

59

Statement on the Railroad Revitalization and Regulatory Reform Act of 1976. *February 5, 1976*

I AM pleased today to sign the Railroad Revitalization and Regulatory Reform Act of 1976. For more than a century, the railroads have been the backbone of our American transportation system. However, our rail system has recently been through troubled times. Now, this historic legislation will help restore the health and vitality of our Nation's private railroad system in a number of ways. First, this legislation encourages revitalization of our deteriorating rail freight system, both in the Northeast and nationwide. Second, it will provide substantial improvements in rail passenger service in the densely populated Northeastern United States. And finally, it will remove many unnecessary regulatory restrictions which for too long have hindered the ability of our railroads to operate efficiently and competitively. The actions set in motion by this legislation will make a significant contribution to our objectives of economic growth through private job creation, energy independence, and a strong private transportation system.

The task of revitalizing the Nation's rail freight system will not be easy. ConRail, the new corporation established to operate the properties of the bankrupt railroads in the Northeast and Midwest, certainly does not have a smooth road ahead. Nevertheless, I believe that this legislation provides the tools to

make the reorganization of the bankrupt railroads a success. We expect that within 5 years ConRail will overcome the unprofitable legacy of the bankrupt lines. If ConRail is to succeed, however, the continued cooperation of all of you who have made this legislation possible is absolutely essential.

The bill also provides needed financial assistance to help the railroads improve their physical plant and encourages desirable restructuring of rail services both in the Northeast and nationwide. The bill explicitly provides $1.6 billion to rehabilitate and improve worn out plant facilities and directs the Secretary of Transportation to provide the necessary leadership in making our Nation's rail system more efficient. It may be that the reorganization of the bankrupt railroads in the Northeast and Midwest can be finally successful only as part of a further restructuring of the rail industry through private sector initiative.

This act also permits us to begin a program of overdue improvements in rail passenger service in the densely populated Northeast corridor. Passenger service between Washington, New York, and Boston will be made both reliable and comfortable, with trains traveling at speeds which are as high as technologically feasible and financially realistic. Within 5 years we should have trains traveling at speeds of up to 120 miles per hour. In addition, through a joint effort by the Federal Government and the States and local communities involved, we will refurbish the stations along the way to make train travel more attractive and convenient. All of the work done as part of this program will provide a base for further improvements and developments. I have asked Secretary Coleman to make the implementation of improvements to the Northeast corridor a high priority.

In addition to providing short-term financial assistance, Congress in approving this legislation has taken a fundamental step to restore the long-term economic health of this vital American industry. The regulatory reform provisions in this bill are long overdue, and I commend the Congress for this far-sighted and necessary action.

This kind of fundamental change in government policy takes time. Every President since Harry S. Truman has called in vain for increased competition and reform of our regulated industries. For example, the Landis Report commissioned by President-elect Kennedy in 1960 recommended major policy revisions in transportation regulation. But for more than a quarter of a century, the Nation has had no results. In contrast, the Railroad Revitalization and Regulatory Reform Act is the first significant reform of transportation regulation by any administration—or Congress.

An equally important task facing us now is to extend the principles of reform

embodied in this legislation to the aviation and motor carrier industries. In these industries, we must strive to create a regulatory climate which relies on competitive forces, rather than on inflexible and bureaucratic directives of Federal agencies, to determine which firm will provide the desired transportation services and at what price. The time has come to place greater reliance on market competition.

I would also emphasize that the ultimate success of this legislation depends on more than the actions that have been taken by the Congress or this administration. We have merely provided the tools which can be used to rebuild our railroads. I am confident that the Interstate Commerce Commission, ConRail, and the United States Railway Association will use these tools wisely for the purposes intended by the Congress and the executive. A major responsibility for achieving a viable private sector railway system and, as stated in the legislation, "to provide energy-efficient, ecologically compatible transportation services with greater efficiency, effectiveness, and economy," rests with them.

We are embarking today on an historic endeavor to improve transportation in this country. I want to thank the Members of Congress, Secretary Coleman, the fine people at the Department of Transportation, and the representatives of industry and labor for their help. I ask them to continue their efforts to strengthen our private transportation system and to make it the finest in the world.

60

Message to the Congress Reporting on Administration Efforts To Settle the Cyprus Conflict. *February 5, 1976*

To the Congress of the United States:

Pursuant to Public Law 94–104, I am submitting the second report on the progress of Cyprus negotiations and the efforts this Administration is making to help find a lasting settlement. In my first report, on December 8, 1975, I outlined the Administration's policy toward the complex Cyprus problem, and indicated in detail the major effort we have made to encourage a resumption of the Cyprus negotiations between the Greek and Turkish Cypriot communities.

In that report, I also stated that Secretary Kissinger planned to place special emphasis on Cyprus during his meetings with the Greek and Turkish Foreign Ministers at the NATO Ministerial meetings in Brussels in December. He did this, and in the course of these meetings, he found a desire on the part of both

sides to move forward. Indeed, the constructive spirit which characterized those discussions was translated on December 12 into an agreement by the Foreign Ministers of Greece and Turkey to seek the prompt resumption of the intercommunal talks. Acting on instructions from their governments, the Greek and Turkish permanent representatives to the U.N. thereupon called on Secretary General Waldheim to begin a discussion aimed at resolving questions relative to the timing, venue, and content of intercommunal talks. Subsequently, discussions between United Nations officials and the two Cypriot communities were initiated, and have been sustained over the past month. The task of resolving the existing differences was not an easy one, but the efforts of the Secretary General have resulted in the parties indicating their agreement to a resumption of the intercommunal talks in Vienna on February 17.

Throughout December and January the United States has urged upon all the parties the earliest possible resumption of Cyprus negotiations. We have been joined in this effort by our European allies. Major assistance was also provided by Chairman Morgan and members of the House Committee on International Relations who visited Athens and Ankara in mid-January. On January 23 in Brussels Secretary Kissinger again saw the Turkish Foreign Minister who confirmed Turkey's support for the resumption of the intercommunal talks.

The decision to resume the intercommunal negotiations is encouraging, and there have been other positive developments during the past sixty days. The Turkish government announced on January 31 that during the first week in February an additional 2,000 Turkish troops will be withdrawn from Cyprus, thus bringing Turkish troop presence down approximately 12,000 since mid-1974 to a figure below 30,000. Meanwhile, Greece and Turkey have begun a process of reconciliation. Meetings have been organized at various levels in December and January to discuss outstanding Greco-Turkish bilateral differences, including the problems of air space and of resource development in the Aegean. An improved climate between Greece and Turkey will surely have a beneficial effect on the Cyprus question.

Developments in December and January have convinced us that the process of bringing a lasting and just solution to the island of Cyprus is moving in the right direction, though the pace has been slower than any of us desire. The knowledge that thousands of refugees are enduring a second winter in temporary shelters is reason enough to move faster—and try harder. This we intend to do.

I believe it important that the talks which begin later this month provide the basis for the development of a negotiating atmosphere conducive to prompt

consideration of all the key issues. I intend to stress this point in the weeks ahead. In this regard I am looking forward to meeting with Foreign Minister Caglayangil of Turkey on February 11. His visit to Washington will provide us with a timely opportunity to review bilateral issues as well as the Cyprus question.

I know that during the recent Congressional recess, members of both Houses visited the Eastern Mediterranean, and came away with a greater appreciation of the complexities of the Cyprus situation and the attitudes and concerns of all the parties. At the same time, these legislators were able to convey our shared conviction that no more time should be lost in the search for a solution.

The action of the Congress on October 2, easing restrictions on military shipments to Turkey, has proved valuable in restoring momentum toward a negotiated Cyprus settlement. If we are to continue to play a key role with the parties, the support and understanding of the Congress is essential. Continued cooperation between the Executive Branch and the Congress on this critical issue will serve the common quest to ensure that the people of Cyprus can build a prosperous future in a secure and stable environment.

GERALD R. FORD

The White House,
February 5, 1976.

61

Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *February 6, 1976*

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority and revisions to a rescission proposal and four deferrals previously transmitted.

New estimates increase by $2 million the amounts associated with my earlier proposal to rescind the uncommitted balances of the Rehabilitation Loan Fund administered by the Department of Housing and Urban Development. Other reestimates cause a net reduction of $8.7 million in deferrals previously reported for the General Services Administration and the Departments of Agriculture and Interior. The new deferrals total $37.6 million in budget authority which would be used beyond 1976 to fund three programs of the Departments of Agriculture and Interior.

The details of the revised rescission and the revised and new deferrals are contained in the attached reports.

GERALD R. FORD

The White House,
February 6, 1976.

NOTE: The attachments detailing the rescission and deferrals are printed in the Federal Register of February 11, 1976 (41 FR 6208).

62

Remarks at the Northeast Republican Conference in Arlington, Virginia. *February 6, 1976*

Thank you very, very much, Mr. Vice President, Mary Louise, Dick Rosenbaum, members of the Republican National Committee, distinguished guests, ladies and gentlemen:

Mr. Vice President, it is fortunate for us Fords that you weren't born in Michigan. [*Laughter*] That includes Henry, too.

Let me say say with the deepest appreciation, I am most grateful for your overly kind and very generous comments, Nelson. I can say without hesitation or equivocation that we try to do what Nelson has said we do do. And I can assure you we are going to do it in the future.

May I add a footnote. I have benefited immeasurably, and the country is better, because Nelson Rockefeller has been Vice President of the United States.

But, Mr. Chairman, before I begin, I have some very good economic news that was just released by the Department of Labor. The unemployment rate for January was 7.8 percent. This is down from 8.3 percent in December. Total employment rose by 800,000, and 2,100,000 more Americans were working last month than during the month of March 1975.

This means that virtually all of the jobs lost during the recession have now been recovered. This is the largest monthly decline in unemployment in 15 years. And this is the largest monthly job increase since 1960. This is good news, but we are going to make it better in the future.

It is a very great personal pleasure for me to participate in this Northeastern Conference of the Republican Party.

As I look about this room, I see the faces of many, many old friends—and some new friends as well—good Republicans that I have met over the years, for the first time and many times, as I traveled to just about all of your States,

to be a part of the enjoyable, enthusiastic, and productive meetings held in your respective areas.

I know how freely you—and I mean you—have given of your time, your talent, and your enthusiasm, and I applaud you and thank you for it.

Let me assure you right now that in the coming months I will do my very best, make my best efforts to help elect Republican candidates for the next Congress and State and local office throughout the Northeast and across America.

There is no doubt in my mind—and I am sure there is no doubt in yours—about one thing. As we start our Bicentennial of independence, the two-party system of free choice is still very much alive in America, and we are going to keep it that way in the future.

Our two-party system works best when it presents clear alternatives to the American people as to what course this Nation should take in the future. In this election year, such clear alternatives have already emerged.

The American people in 1976 are not concerned with the polished image of candidates, but rather with the hard issues facing this country. They are concerned about jobs. They are concerned about the cost of health. They are concerned about housing, education, crime, and they are concerned about the cost of government and the price of groceries.

All Americans are concerned about their cost of living and the quality of their lives. But each of our two major political parties has a different prescription to cure our Nation's ills.

The difference can most dramatically be seen in the respective approaches to economic recovery.

I propose to continue the commonsense policies of sound, responsible, self-disciplined growth that have brought America out of its worst recession since the 1930's.

It is all too easy to forget the fog of fear that enveloped our Nation just a year ago because of double-digit inflation. Who in this audience doesn't remember a year ago buying something in a store and finding a little mound of price stickers on it, one above the other, each a few cents higher than the one below? We wondered if it would ever stop.

In February of 1975 a prominent labor leader warned that everything was pointing downward toward a depression. He forecast that a 10-percent rate of unemployment by July was inevitable.

About this same time, a leading spokesman of the other party went on network TV to say, and I quote: "Unless we take some very concrete and effective

action, and very quickly, within the next 60 to 90 days I think we would be approaching what you would call the dimensions of a depression."

This was a time when it would have been easy to stampede, to turn our backs on the inherent strength of the world's greatest economic machine, to turn instead to quick-fix gimmicks and snake-oil solutions.

This administration didn't stampede, nor did we abandon our principles or our convictions under fire. We set a steady course and stuck to it. What happened? Doomsday never came.

American buyers, American investors, and American workers regained their confidence in the future. We preserved the integrity of the American dollar and the American economy. Our system works.

Inflation today is just about half of what it was a year ago. It is still too high. But the monster of runaway inflation no longer sits down with every breadwinner and every businessman as they make their daily decisions. Runaway inflation no longer imposes a crushing 12-percent-a-year tax on 215 million Americans. We have got a hold on inflation, and I am not about to let it go now under any circumstances.

Industrial production is up at an annual rate of 12 percent since last April. Our real gross national product rose at an annual rate of 8.6 percent in the last half of 1975. Excess business inventories have been worked off. Interest rates have gone down significantly. From its high point of 12 percent the prime lending rate has been cut to 6¾ percent.

The Consumer Confidence Index issued by the Conference Board on February 2 is at the highest level since June of 1973, and it is more than double a year ago. It also indicates that consumer optimism about the state of the economy improved significantly in December. And since good news always bears repeating, as I said earlier, the rate of unemployment for January was 7.8 percent—one-half of 1 percent, down from 8.3 percent in December. That is going in the right direction. That is good news, and we are going to keep working at it.

Ninety-six percent of the jobs lost during the recession have now been recovered, and that is good news. Today, 2,100,000 more Americans are working than at the bottom of the recession. And last month, the national employment total rose by 800,000, and believe me, that is really good news.

But there are still too many Americans who want work and can't find it. Our economic recovery will only be complete when every one of those Americans have a good job.

Here again, there is sharp disagreement between our two major political parties on how to create those vitally needed jobs. A spokesman for the opposition

wants the Federal Government to create jobs directly through make-work programs similar to those established in the 1930's, and through public service jobs in State and local governments for which the Federal Government pays the bill.

We already have on the books and operating a responsible public service jobs program, and it is working as well as such a program can. We also have public works programs providing employment on needed priorities such as rebuilding roadbeds, new housing, construction of sewage treatment plants, land reclamation, and others. But Government-sponsored jobs have not solved America's unemployment problems and never will.

Even make-work programs, when they were operating on a massive scale in the 1930's, national unemployment stayed astonishingly high. It was World War II, demanding an economy operating at full speed, that brought America back to full employment.

The WPA [Works Progress Administration] of the 1930's is not the answer to unemployment in the 1970's. And, obviously, war is not the answer to anything.

To create jobs, real permanent jobs with a future, we need to stimulate growth in private business and industry where five out of every six American jobs are to be found. We need to rev up the mighty engines of the free American economic system, which has given this country the greatest prosperity and progress the world has ever known.

The tax cut and incentive programs that I proposed would give the private sector the encouragement and the assistance it needs to expand, to grow, to build, to create jobs, and to recover its prosperity.

One of my proposals is targeted on those areas where unemployment exceeds 7 percent, and it requires that plant and job expansion begin now, this year, so that Americans can get back to work faster. There is so much work that needs to be done.

There are diseases to be conquered, new technologies to be developed, new sources of energy to be found. To accomplish these and other objectives, my administration is making a major investment in America's future.

The budget I proposed for fiscal year 1977 contains record funds, over $24½ billion for research and development in a wide variety of fields—from desalinization to defense. This is an 11-percent increase in research funds over the present fiscal year.

This money will be used to develop new varieties of wheat and other farm products, to improve our agricultural capacity and export earnings. Some of

this money will be spent to support research on the liquefaction of coal, our most plentiful energy source, reducing our reliance on foreign oil.

The other energy research projects include the development of solar and geothermal energy and other exotic forms which will help make America energy independent in the future.

We will continue the search for a cure for cancer and the prevention of heart diseases. New research will be undertaken to develop advanced weapons systems which will keep America's defense second to none.

Much of that research will be done by the great universities and research organizations concentrated in the Northeast section. It will help your local economies. It will help make America's future as exciting and as rewarding as our past.

Another proposal of immediate and vital importance to you is the extension of the general revenue sharing program through 1982. And I have asked the Vice President to head up, to be the chairman of a Government organization or a committee, to work to make certain that this program is enacted into law by this Congress. And I know he will succeed.

Now, I know that a considerable number of Governors and mayors and county officials from your States and others have been lobbying pretty vigorously for passage of the $6 billion so-called countercyclical bill passed recently by the Congress. I oppose this bill because it is a one-shot, band-aid, uneconomical approach to long-range problems.

I believe, and believe most deeply, that revenue sharing is far, far more important and effective legislation. Over the last 4 years, 22 percent of general revenue sharing funds from the Federal Government to your States and to your local communities have been spent on education. Twenty-four percent has been spent to improve local law enforcement and public safety programs. Fourteen percent was spent for better transportation—7 percent on environmental protection, 7 percent on health. This is money spent to make your cities, counties, and States cleaner, safer, and better places in which to live. And this is an important statistic. Unlike other programs in which the Federal Government is involved, the cost of administering this program is only one-twelfth of 1 percent on every dollar. That is a good record, and that is the kind of a program the Federal Government ought to undertake and carry out.

I think it is interesting to note as well, fewer than 100 Federal employees are involved in administering this program. By any standard, this is an outstanding record of efficiency and good management in the Federal Government.

General revenue sharing is a $39,850 million program that would run for the

next 5¾ years. I think our party can be very proud of the role that we played in securing passage of the original revenue sharing program 5 years ago. And if your memory doesn't bring up this, let me remind you of it.

A great deal of the credit for this program being enacted by the Congress in 1972 goes to then-Governor and now Vice President Nelson Rockefeller.

That program has provided your Northeastern States and subdivisions alone with more than $6,700 million since 1972. If the Congress passes my bill that I recommended last July to extend the program, your States will get about $11,500 million more in the next 5¾ years.

New York State will get $4½ billion; Pennsylvania will get more than $2 billion; New Jersey more than a billion; and there are proportionate amounts for all of the other States represented here.

To mention only one—strictly at random—let's take New Hampshire. [*Laughter*] New Hampshire will get more than $125 million in addition to the over $75 million it has already received from revenue sharing since 1972. I don't want to cut it out. I want to make sure it goes to New Hampshire. [*Laughter*]

The whole foundation of revenue sharing is to return Federal tax dollars as well as decisionmaking power to the local level. The better balance we see in the government and in the economy is not a slogan for election year. New realism and commonsense are not magic words that will work miracles for our people.

They are plain ideas and simple words that speak to the needs of 215 million Americans who are looking for a better life for themselves and for their children. They know, as we know, that government has certain obligations and powers and abilities to help bring about progress in many, many areas.

As President, I will fulfill each of these obligations as fully and exercise those powers and abilities as justly and as responsibly as I can. Yet we must never lose sight of one very simple truth that a government big enough to give us everything we want is a government big enough to take from us everything we have.

The Republican Party is in tune, in touch, and in stride with the mood of America. And I am confident that we as the Republican Party are on the road to victory in 1976.

Thank you very much.

NOTE: The President spoke at 1:58 p.m. in the Persian Room at the Twin Bridges Marriott Hotel. In his opening remarks, he referred to Mary Louise Smith, Republican National Committee chairman, and Richard Rosenbaum, New York State Republican chairman and Northeast regional chairman.

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Exchange With Reporters on Arrival at Manchester, New Hampshire. *February 7, 1976*

WHILE WE are waiting for Susan and Mrs. Ford, I might make a comment or two. It is nice to be back in New Hampshire. I first came to New Hampshire, went to the University of New Hampshire campus in September of 1935, did a good bit of skiing up in New Hampshire in the late 1930's and 1940 or '41. I have been here a good many times with Jim Cleveland [1] and others. It has always been a great experience.

In 1975 I had a great trip, going to Concord, Nashua, Keene, Exeter, Portsmouth, a number of other communities, and I am looking forward to this weekend, as Betty and Susan are.

We think it is a great opportunity for us to come up and get reacquainted and get acquainted with some new friends. We will discuss some of the issues; we will talk about the economy; we will talk affirmatively about our progress in maintaining peace. We think it is a great opportunity to see all of you and to have a chance to get better acquainted.

With that, I will be delighted to answer any questions from the local reporters.

REPORTER. Mr. President, what is your insight into former President Nixon's trip to China just 3 days before the primary? Do you think it will have an effect on your race here?

THE PRESIDENT. President Nixon is going to China as a private citizen at the invitation of the People's Republic of China. He, of course, took a historic step in 1972 in opening China, in an attempt to initiate a normalization of relations with a country that has some 800 million people.

Approximately 10,000 Americans have visited China in the last several years, and President Nixon is going there as a private citizen at the invitation of the government officials. I certainly am delighted that his health is such that he can go, and I asked him to extend my best wishes to Chairman Mao and the others.

Q. Mr. President, could you give a wave to the crowd?

THE PRESIDENT. Sure. They were very kind and hospitable, and it is delightful to be here. I wish it were possible for me to do a little skiing up here again, but they have got the schedule worked out so Susan, who is the expert in the family, is going up to Conway and do a little.

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[1] Representative James C. Cleveland, chairman of the New Hampshire President Ford Committee.

I am surprised that some of you haven't asked about my good Press Secretary Ron Nessen's comment. [*Laughter*]

Q. Is he going to ski?

Q. They won't let him.

THE PRESIDENT. I have been thinking of taking him up to the headwall and throwing him over. But Susan well represents the family on the slopes tomorrow.

Q. Mr. President, how do you think you will do in New Hampshire 2 weeks from today?

THE PRESIDENT. I am optimistic, and Jim Cleveland is a pretty good judge of how people vote in New Hampshire. Jim just whispered in my ear, "Just great," so I will rely on a good authority like Jim.

Q. Is this the only trip so far planned, Mr. President?

THE PRESIDENT. This is the only definite trip planned, yes, but it may be followed by another.

It is good to see you all. We will see you the rest of the day and look forward to some questions at the press conferences. And I hope you will be at the budget briefing, which will give us an opportunity to respond to the questions that I think are very legitimate—how the Federal Government can help provide services at the local level with Federal funds and give to the State and to the municipalities and to the counties and townships the necessary funds to provide services to the good citizens of your State.

Thank you very, very much.

REPORTER. Thank you.

NOTE: The exchange began at 11:25 a.m. at Grenier Field.

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Remarks at a Briefing on the Budget in Concord, New Hampshire. *February 7, 1976*

I AM extremely grateful for the fine turnout. I look forward to an opportunity to say a few words and then respond to your questions concerning the budget and its relationship not only to New Hampshire but to the country as a whole.

I brought with me a copy of the Federal budget for fiscal year 1977. In the preparation of a document of this magnitude, we have to make certain forecasts: the status of the economy, gross national product, all of the factors that

go into anticipated revenues, and what we think are wise decisions as to expenditures.

We had some good news yesterday that could have a very beneficial impact on the budget. The Department of Labor announced that the unemployment figures for the month of January went from 8.3 down to 7.8, a half a percentage point reduction in 1 month, the largest reduction in unemployment percentage since 1959.

We also had in that release from the Department of Labor an indication that in that 1-month period there were 800,000 more people gainfully employed, so that it indicates that since March, at the bottom of the recession, through January, some 2,100,000 more people had been gainfully employed.

Actually, we have regained 96 percent of the job losses that took place during the depths of the recession. Now, that is not good enough—7.8 is still too high, but it certainly is on target, if not better than what we anticipated in the process of putting together this budget.

Now let me give you several very broad guidelines that we used in the preparation of the budget. I believe very strongly that we have to get a new balance in the Federal budget between the people who were the beneficiaries of some of the benefits and the taxpayers as a whole.

I believe that we also have to develop a new relationship between the Federal Government on the one hand and States and local communities on the other. This balance is vitally important if the Federal system that we believe in is to continue and grow, not only in strength but in services and the delivery of services in the best way.

The program that I think in the budget you are mostly interested in would be general revenue sharing. Under general revenue sharing, which went into effect in 1972, the total number of States and local units of government that have been beneficiaries—39,000—some $23 billion has been transferred from the Federal Treasury to States and local units of government. By the end of this calendar year, almost $30 billion in Federal funds will have gone to States and local units, with virtually no strings attached whatsoever.

In the State of New Hampshire, as of this date, Federal revenue sharing has totaled $75 million plus, and by the end of this calendar year, some $96 million will have been paid to the State, to 10 counties, to 13 cities, and to 221 townships.

Now, the program that I have recommended and recommended in 1975 is for the extension of the existing program, which expires on December 31. I have recommended a 5¾-year extension that involves almost $40 billion, approxi-

mately a billion dollars more over the 5-year span than under the present program.

We have added roughly $175 million a year as a growth factor. I think this is a sound program. And if some of the charts would be opened up here—this chart shows the figure of $75 million as of this date. It shows the distribution: State government, $25 million; counties, $6.6 million; municipalities, $23.7 million; and townships, $19.9 million.

Here is the distribution for the total of $96 million which will be paid or will have been paid at the end of the present legislation on December 31. And this is the figure for the program that I recommended last year to follow on to the present program, which expires on December 31.

You see it is a growth factor that I described a minute ago.

Now, here are some of the individual payments that have been made to a sample of townships, counties, cities. It also shows what would be expected with the new program that I have recommended.

Now, the thrust of this program—and this is the important point—this is Federal money that goes to States, cities, counties with no strings attached. And it shows here the kind of distribution, and it covers in the utilization, education, public works, community programs, hospitals, et cetera.

Now the interesting part about this program: We hear a great deal of complaint about the overhead. This year there will be approximately $6 billion distributed. Less than 100 Federal employees take care of it at a total cost of one-twelfth of 1 percent for the whole distribution of the Federal money. Actually, for less than $3 million, $6 billion goes back to the State, to the county, and to the cities. I think that is a pretty good record of efficiency. And you in your respective areas have virtually total jurisdiction on how you spend the money for your constituents.

I think this is a good program. I urge you to help us get the Congress to move, because the new program of 5¾ years of almost $40 million has to be extended.

I was talking to some mayors from the State of Ohio last week. They, under their State law, have to present their budgets or prepare their budgets by July 1. And if this law isn't extended shortly, every mayor in the State of Ohio will either have to provide more taxes to pay for services that have come from Federal revenue sharing or they will have to drop the services because they can't in Ohio, as I understand it, operate their cities in a deficit.

So, it is vitally important that we get this larger and longer program enacted into law so that you can budget in your respective communities and your State.

We appreciate any help you can give. It will be very beneficial, I think, for a good program.

Now, with those general remarks, I will be glad to answer any questions.

Q. Mr. Ford, I went to Virginia Seminary. My daughter went to Virginia Seminary and graduated last year. John Harper [1] studied under me in New Hampshire when I was director of the Episcopal Church. Nice to have you.

THE PRESIDENT. We lived for a few years in Alexandria, about a half mile from there and used to go to church services up at Immanuel-On-The-Hill. You are familiar with it?

Q. That's where my daughter graduated and where I graduated. It's nice to have you in New Hampshire, and please remember me to John Harper when you see him.

THE PRESIDENT. I sure will.

Q. I don't want to talk rough, tough, and commercial, but I remind you, scriptures which you will hear in the Presbyterian Church talk more about money than anything else. [*Laughter*]

Now in New Hampshire, we live on sin. And we preachers, of course, are against it. For example, we have horses, we've got puppy dogs, we have lottery, and we have cigarettes, but our biggest source of tax revenue in the State of New Hampshire comes from the sale of beveraged alcohol.

Now, we as Episcopalians, think it's perfectly all right to take a drink, and we think this is one of God's great gifts, but there are some of us, Mr. President, like myself, who are alcoholics. And we are very much concerned about your budget.

I was down last week. I had my button with me when I appeared before Mr. Kennedy.[2] I made somewhat of a hit with some of those Democrats down there before the Senate, so I am with you.

But my problem is that your budget, which you submitted this week, cuts the alcoholism research money by $2 million; it cuts your training money by 300 percent—that is, money for kids and for training. It also is going to cut out 50 percent of your treatment money if the block grants go through.

Now, Mr. President, we can't afford to see this happen, and how can we make a believer out of you?

THE PRESIDENT. Let me indicate that under the block grant health program, we have recommended $10 billion for 15 categorical programs. This is as much money as is available for the 15 programs in the current fiscal year. What we

[1] Rector of St. John's Church in Washington, D.C.

[2] Senator Edward M. Kennedy of Massachusetts.

have proposed is to take those 15 categorical grant programs, give you the same or slightly more money, and let each State decide how it wants to spend its share of that $10 billion.

Now, if in the State of New Hampshire they want to take its proportionate share of that $10 billion and put its money on the programs you have described, the State of New Hampshire could do it.

We have not cut back the dollars in the health categorical programs. We have simply said, eliminate the categorical grant programs, take the same amount of money or slightly more, and then each State can decide whether they want to put more or less money in any one of the 15 categorical areas.

There is no less money. In fact, we have promised that in fiscal year '78 we would add a half a billion dollars, in fiscal year '79 we would add another half a billion dollars, so there is a hold-harmless provision. But we think the State of New Hampshire is better qualified to make its decision on how it wants to distribute its share of the health block grant program. And I am sure with your persuasion you and your associates in this program would be very fortunate to get at least what you have gotten in the past and possibly more.

Q. Mr. President, I am Martin Gross. I am mayor of the city of Concord. I very much appreciate your comments in connection with general revenue sharing. It is a very, very important program for us here in this city. And your endorsement of its continuation is very much appreciated.

I think, frankly, you are speaking to the converted in this room about general revenue sharing. The question I have for you, sir, is where is the opposition coming from? This program makes so much sense it's almost like endorsing motherhood to say you are for general revenue sharing. But where is the opposition coming from, and how can we help combat it?

THE PRESIDENT. I can't imagine any really legitimate opposition. But bear in mind that I, in a message to the Congress last summer, recommended its extension. I thought there would be no problem. It has so much merit. But here it is January, or February now, and there hasn't been a bill reported out of either a committee or a subcommittee for its extension.

I can tell you where the opposition comes from. It is the same group, primarily, that didn't want it in the first place in 1972. There are those who like to build their own little fiefdom so that they can take credit for this program, and the net result is it's a terrible maze. But it gives to individuals or groups that have a particular interest in a certain program almost total control and jurisdiction. They want expanded categorical grant programs. They want the decisionmaking made in Washington, not in Concord.

Now, that is one group. They just want their own hand in the decision-making process.

The other group is an element that doesn't believe in the concept, period. They just don't think you should take Federal money and send it back to the States without any control or strings.

I think this is a very honest opinion, but I believe that the Federal tax system is more equitable than most State tax systems and that this is a way, under a well-agreed-to formula, to get the money back so you in Concord and others can make your own decision.

I have been talking with the Governors, with the county officials, and with municipal officials, trying to get them to get moving to put pressure on the Congress to get the program through.

I have asked the Vice President to take charge of that effort. And you are going to see some activity, and I think we will get it through. I don't know what your budget situation is in Concord, but if they took away that money from your budget in Concord, you would either have to raise taxes or discontinue services or programs.

And, therefore, we have to get a tremendous groundswell of public interest. And I am going to do this in New Hampshire, and we will do it elsewhere, just so the public understands what will happen in Concord and elsewhere if this program isn't extended.

Q. Mr. President, I am Rob Trowbridge. I am the chairman of the senate finance committee here in the State, and I am interested in your remarks on general revenue sharing in that, as in that capacity, I have prepared for the last 4 years—and I think most selectmen here know it—a report of where revenue sharing was spent in New Hampshire, county by county, town by town.

It is very interesting, Mr. President, that one of the big areas that the towns of New Hampshire use this money for is for general hardware rather than software, if you want to distinguish. You know, it is trucks and it is plows and it is things like that which they have difficulty with.

One of the problems with revenue sharing now—and I think this news conference goes both ways, for you to get our views as well as for us to get yours—is that there is a limitation that you have to spend the money within 2 years.

Many, many towns in New Hampshire would love to be able to put this money into capital reserve, building up to buy the plow or the truck or whatever comes down the road. And I think that when you say there are no restrictions on general revenue sharing, you might have someone look back again, because there are more restrictions than you might believe.

Frankly, I think you could be a big help not only to us but to every other State if general revenue sharing were exactly what it was meant to be: block grant—if you want to put it into savings, fine; if you want to spend it, fine. It's that kind of thing that I think would help New Hampshire the most.

THE PRESIDENT. I remember the debates on the floor of the House in 1972 when this issue was raised. And the argument on the other side was simply this: that the Federal Government was operating then and is operating today in a deficit. If the Federal Government borrows money to give it to the State or the communities and then those communities put the money in the bank and draw interest on it, makes it a little difficult to justify the program.

Here the Federal Government is borrowing money to give it to communities and States so they can put it in the bank and draw interest. That is the other side of the coin.

The basic concept is that this is for immediate needs, whether it is buying trucks for the fire department, or doing something for the police department, or any one of a number of other programs.

It would seem to me—I know this has happened in some Michigan communities—as long as they know that money is coming, they could plan on a building program. And they could finance it over a period of 2 or 3 years with this money assured as a way of paying their obligations.

Q. I suppose it is the 2-year period that is too short for that kind of planning. I think that is where you don't get the money until after the town meeting. It comes in and you have already missed a year. It is just the way it works out in New Hampshire. It doesn't allow you to do that. And that is why I think that someone ought to look back at that.

THE PRESIDENT. I recommend that you go down and testify before the House Committee on Government Operations, or go over to the Senate Finance Committee, which has jurisdiction in the Senate.

It is a very legitimate, I think, difference of opinion. I just wanted you to know what the other side of the coin is. And I listened to that debate on the floor of the House, and rightly or wrongly, that is the decision the Congress made.

Q. Mr. President, I am Selectman William Morris from the town of Gilford. I just want to let you and Ron Nessen know the skiing is great up there right now. That is Gunstock and Mt. Rowe. [*Laughter*]

THE PRESIDENT. Well, you know, I really learned to ski up here in New Hampshire, and after I heard about Ron's famous, or infamous, comment, I made the suggestion to him he ought to go up on Tuckerman's and somebody ought to throw him over the side of the mountain. [*Laughter*]

Q. Well, Mr. President, I am very pleased to hear your revenue sharing views, and I share the opinion of the last speaker regarding the limitations on the funds, the time limit. And I think something should be done about that. Also, I realize one of your problems, that the Congress is a do-nothing Congress as far as I am concerned. And a lot of people that I know, and their idea that if they haven't thought of it first, the idea isn't any good. I think a lot of your ideas are great.

THE PRESIDENT. Thank you.

Q. One of your ideas that you brought up is a fact that we should give more incentives to businesses, small and large. I believe that the incentives could be a tax credit, and I think this could be up to 50 percent for employers who would hire extra persons over and above their normal staff and over their projected growth.

This would be monitored by the IRS, would eliminate bureaucrats—more bureaucrats, and it could be administered very easily. The money would be direct, it would help the business, and it would help employment. This is the name of the game right now, I think.

THE PRESIDENT. We looked into that program, and there is a great deal of merit to it. But in analyzing it in depth, there are more administrative problems than would appear on the surface. It is something that I think we ought to take another look at because there is, in the broad sense, merit because it gets business to keep people on the payrolls rather than putting them on unemployment insurance or welfare. That is the overall approach.

But there are some pretty serious administrative problems. But I decided that rather than go that route to stimulate business and to increase employment, to recommend that there be an added investment tax credit to those companies that would move into high unemployment areas with new plants, to buy new equipment, if they would do it within the next 2 years.

We think time is of the essence. And the legislative proposal is now before the Congress, and it would accelerate the amortization schedule in effect for these companies that would move into high unemployment areas, build a plant, buy equipment, and modernize their productive facility.

We opted for that over the program you suggested for reasons that we thought were valid. We will continue to study the suggestion you have made. It was a close call.

Q. Thank you, Mr. President. I also think that in doing this, we have to think about the cost to administrate it. That's the big thing. Most of our bureaus that

we have—money doesn't get filtered down to the objectives properly, and I think that is what we have to really study.

THE PRESIDENT. I am sure you know we do have a program where the Federal Government subsidizes for a limited period of time a portion of the wages of an employee who is employed who is not qualified at the time he takes the job.

This is a way to permit the employer to hire someone who has very little skill and put him on the job so he earns both from what he gets from his employer as well as from the Government so he can take care of his family. This is another approach, somewhat like the one that you are suggesting. That is, in effect, in a somewhat limited way.

Q. Thank you, Mr. President, and good luck.

THE PRESIDENT. Thank you very much, sir. Yes.

Q. Mr. President, I am Mary Keenan from Portsmouth. Mr. President, under your recommendations under impact aid, our small city stands to lose over a quarter of a million dollars. We have many students whose parents are employed in Federal installations, who live in private housing. I would like to ask you to reconsider the inclusion of item B under your impact aid.

THE PRESIDENT. That is a longstanding area of disagreement. I am sure you are familiar with category A programs where the pupils live on a base. They are imposed on the local school district. We fully funded that program.

Q. Yes, I understand.

THE PRESIDENT. Category B is the one you described. There is a category C which Congress added which I strongly disapprove of, and they have added another one for public housing. And the net result is, in the budget for this fiscal year, there is roughly $800 million or thereabouts. Isn't there, Paul? [3]

Now, category B, we finally agreed, would be funded at about 70 percent, not in this next year budget, but in the existing budget. The practical problem is, how can you justify people who live in the town but work in the Federal installation and add extra money for the subsidization of the local school system?

Let me give you the grossest example. My wife and our four children lived in Alexandria, Virginia, for 17 or 18 years. Our children went to the public schools in Alexandria. I was a Federal employee. My children were counted as Government employees, and the city of Alexandria got a subsidy for each of our four children. Now, that just doesn't make sense.

Q. Well, Mr. President, we are not getting any taxes from this Federal installa-

[3] Paul H. O'Neill, Deputy Director of the Office of Management and Budget.

tion, and if these children's parents were working in private industry, private industry would be paying a tax to our city. So, we justify it that way.

THE PRESIDENT. What Federal——

Q. The Portsmouth Naval Shipyard, which does employ quite a few of the parents of our children.

THE PRESIDENT. All personnel that live on the base are counted in category A.

Q. Yes, I understand that.

THE PRESIDENT. We are not going to close Portsmouth Naval Yard——

Q. Thank God for small favors.

THE PRESIDENT. ——under no circumstances. And I am sure you wouldn't want it closed.

Q. Certainly not, but you can't blame me for trying, Mr. President. I am just asking. [*Laughter*]

THE PRESIDENT. You have almost persuaded me. [*Laughter*]

If we could get Members of Congress off the dole as far as impact aid is concerned—because they can afford to pay the necessary taxes to Alexandria or to Montgomery County or any of the other county school systems. It is just totally indefensible.

What it amounts to in my case—and I have used this many times because it is accurate—my taxpayers in Grand Rapids, Michigan, are helping to subsidize my school taxes in Alexandria, Virginia, and it doesn't make any sense. And that is the kind of a screwed up system that Congress has imposed under impact aid in many, many cases.

Q.. Well, maybe we could compromise with a payment in lieu of taxes, Mr. President. Thank you very much.

Q. Mr. President, I am Charlie Richmond, a selectman from the town of Warner, and I have a problem. [*Laughter*]

I was noticing in your pretty blue book—in fact I was talking with another selectman from Hooksett, that our budget committee just wouldn't put up with a fancy publication like this. [*Laughter*] However, I noted happily that highway outlays are rising to $7 billion in 1977 according to your recommendations. Warner is pretty typical—1,800 people, 15 miles of State and Federal highways, 65 miles of town-maintained roads, 21 bridges, 2 of which we had to close last year.

This is my problem: We were notified by the State that we could qualify for rural road assistance and that it could be used as a 70-percent Federal match of our 30 percent for expenditures on the bridge, which we need. We have been lucky to get the Army Reserve to put in a Bailey bridge to hold us for a couple

of years until we can get a permanent one up. But we were told, to qualify for the Federal funds we would have to build a $206,000 bridge to span a 47-foot stream.

The town of Andover, about 20 miles up from us, just finished a bridge designed by a registered professional engineer, designed for 20-ton loads, which is really all we need to get a firetruck across, 25 cars a day, a schoolbus, and a mailman. [*Laughter*]

What I am asking is, would it not be possible for Federal agencies to take a look at prudence in design and recognize that, doggone it, maybe we could do for $60,000 the job that needs doing. We are not looking for a Lincoln Continental we want to get across the doggoned river. [*Laughter*]

THE PRESIDENT. Let me ask you, is this a primary, secondary, or interstate highway?

Q. This is a Warner town road, the bridge has been there for over 200 years. This will be the fourth bridge to go in place.

THE PRESIDENT. Well, there is under the Federal program a category—I have forgotten the precise title, but let me give you what I think is a better answer.

Number one, last year I recommended an extension of the Federal aid to highway program, the abolishment of all the categorical grant programs for the Federal aid to highway program except interstate, and I recommended that 1 cent of the Federal gas tax go back to the States.

Now, unfortunately the Congress hasn't approved that. Under that program there would have been a block grant to the State of New Hampshire, which could have had greater control over the utilization of that money so that your State highway authorities, in conjunction with local authorities, could have made that decision for the specifications without having some engineer in Washington, D.C., do it.

I think that makes a lot of sense, but the Congress wouldn't buy it. I can tell you why. They like to keep their fingers on certain specific programs.

In this case, under the existing law, my impression is that I just don't see why a Federal highway engineer should draw the specifications for a town road in Warner. I just don't see by what authority they have that jurisdiction.

But let me tell you this, if you will get me the facts, write them down, give them to me, we will find out.

In all honesty, it doesn't make sense. My program would have avoided it, but we have to deal with realities.

Q. Well, I think the real point in contention is that the funds are going to the State, and the State is setting the specifications and not allowing the town to

supply an adequate design by a professional engineer to qualify. This was a State amount that was quoted to us, and we can't get at the money because the State is administering it.

THE PRESIDENT. I respectfully suggest you go to Concord and ask them. [*Laughter*]

Q. Mr. President, when I married a native and moved to the State some 15 years ago, one of my mother's good southern friends asked her what State New Hampshire was in. [*Laughter*] Sometimes when I take long looks at information such as the budget packet you have given today, I wonder if many of the people in Washington know what State we are in.

I am particularly interested in the question of mass transportation. I notice in your budget, as stated by the selectman from Warner, there is a huge increase in highway taxes. There is a considerable increase, as a matter of fact, in mass transportation. I notice further, however, that most of that money seems earmarked for the expansion and betterment of the already existing mass transportation systems, particularly from Washington to Boston.

All over northern New England we have an old saying that you can't get there from here. And if you are trying to get anywhere by mass transportation in this State, it certainly is true. We have kids going to college in the western part of the State who can't get home, 90 miles away, without going to Boston to get there.

I wonder how far down the road you see administrations and Congress and the Senates waking up to the fact we need mass transportation in rural areas and trying to appropriate money to encourage cooperative, small, rural, innovative mass transportation systems?

THE PRESIDENT. Let me make one comment. There is no increase in transportation taxes. The Federal gas tax stays at 4 cents a gallon. As I indicated, I recommended it be reduced 1 cent and that 1 cent go to the States.

But anyhow, we have three basic mass transit programs. Under the Federal aid to highway program, a local community, if it wants to take its highway money off of construction for highways, it can make that decision and utilize that money on a local mass transit program.

I think they are doing that in Boston. I know they are doing it in Washington, D.C. I know they are doing it in many, many communities. They don't feel they need more highways. They feel they need more mass transit, so they have that flexibility out of the highway money.

Number two, I signed in late 1974 a new mass transit bill that provided

approximately $11.2 billion over a 5-year period. Now that money is earmarked for mass transit exclusively.

If I recall accurately, there is a rural mass transit or transportation aid program. I must admit that it is funded at a far lesser level than metropolitan areas, but there is a program. And I know that some parts of the country are engaged today in rural mass transit programs, if that is the right term. Has the State of New Hampshire applied for any funds for that program?

Q. I don't know at the State level, sir, but on our city level—I am from Portsmouth—it is very hard for us to get the ear, the eye, or the attention of anyone in regional and Federal offices. Maybe it is a matter to be dealt with at the State level.

THE PRESIDENT. In the case of Portsmouth, the city of Portsmouth can take whatever money it gets from the Highway Trust Fund and utilize it for a mass transit program in the city of Portsmouth.

Now, there is another mass transit program that has been on the statute books 6 or 8 years, called UMTA [Urban Mass Transit Administration]—I can't remember what it means, but it is UMTA. [*Laughter*] It is funded at around $100 million a year, as I recall. Paul, is that—Well, I was too low. It is about $1.8 billion.

Now, that program, again, I think, is probably aimed at the major metropolitan areas. But there is a Federal program for rural transportation demonstration projects and otherwise. And you can go to the regional office. If they don't give you satisfaction, you call Steve McConahey [4] on the Domestic Council staff on State and local unit relations, and we will find out what the problems are as far as your community is concerned.

Q. Mr. President, I am Patty Blanchette, State representative from New Market. You mentioned the unemployment figures which were released by the Department of Labor yesterday. I know you know what I am going to ask you.

Yesterday morning when those were released, and we all heard that 800,000 more people were gainfully employed, we agreed that it was good news also. But by the end of the day we were also hearing that those figures were inflated, because for the first time the Department had used a new system in calculating those figures. I was wondering if you care to comment on that or if this is indeed true?

THE PRESIDENT. Let me go back just a bit. Under law, periodically, a group of professional economists and statisticians take a look at how the Department of

[4] Special Assistant to the President for Intergovernmental Affairs.

Labor accumulates its data for the purpose of releasing unemployment figures. Late in 1975, this group got together, looked at the existing system for the Department of Labor, and decided that there had to be some improvement in the collection and the analysis of that data.

And on the basis of that professional group making these recommendations, they did revise all of the unemployment figures for 1975. Some of them were higher, some of them were lower, but it was the recommendation of a group of professional economists and statisticians that had nothing to do with politics.

Now, the figure that was given to me, and I believe it is accurate, is the figure of 800,000. And this came from Mr. Shiskin, who is the head of the Bureau of Labor Statistics, and he is a thoroughly reliable, career nonprofessional (nonpartisan) person.

So, I will stick with what they told us. I think it is accurate, and the reason, if there is any variation, is the one I gave, that in a professional way, as required by law, they moved to a new system. But the fundamental facts, I think, are completely accurate.

Q. Mr. President, I am Mike O'Keefe, State representative from Portsmouth. I have become quite concerned in the last year about the plight of some of our older veterans attending college here in New Hampshire and throughout the country. I have been teaching night school for New Hampshire College, and I have several of these people in my government classes.

The reason I am concerned is that many of them, when they got out of the service, got married, started a job, and began to raise their family, and then after several years, decided that they wanted to go to college and increase their education so that they might be able to move up in their profession, or things of this nature. But they are now faced with, actually, an arbitrary cut-off date of May 31, 1976, where they will lose all educational benefits.

And I was wondering, Mr. President, if you might consider supporting legislation similar to what Congressman D'Amours of New Hampshire has put in, I believe it is House Resolution 9428, by which these veterans, as long as they are attending school and are working on a degree, would be able to continue to receive payments up and to the entitlement that they earned when they were in the military service.

THE PRESIDENT. Under existing law, a GI is entitled to receive those benefits for a 10-year period—in other words, he got out of the service and at any time from that date for the next 10 years, he can take GI educational training. I think

this is a fairly decent, fair opportunity for a person. And there are many, as a matter of fact, who recommend that it ought to be cut back.

I have listened to the arguments, and I have not heard of any proposal to extend it. But the facts are, at the present time it gives a 10-year period between discharge and when the benefits expire.

How long does the Congressman want to permit it—indefinitely?

Q. No, sir, the situation is that the individual, while in the service, has picked up a certain amount of entitlement for educational benefits, I believe 36 months.

Now, many of these people, as I mentioned before, didn't go to school when they got out of the service. They got married, they raised a family and now later in life want to go to school. And many of them have a year to 2 years left to get their degrees when their entitlement runs out. What the Congressman's bill would do would allow them to continue to receive benefits until they receive their degree as long as they were within their original entitlement.

THE PRESIDENT. Well, the concept that began in World War II was that those that served in World War II in combat and had been deprived of an educational opportunity should be given an opportunity to go back to school. And there was this cutoff first at 8 years, now at 10 years.

I will take a look at it, but we did find, or have found that there were some professional students. [*Laughter*] And we have to look at the equity across the board, and we will take a look at it. But I am somewhat dubious that it would be extended.

Q. Thank you for your consideration.

Q. Mr. President, my name is Murray Clark. I am a representative to the General Court here in New Hampshire from the town of Lincoln up in the White Mountain region—Sherm Adams'[5] town—where Loon Mountain and excellent skiing is also available. [*Laughter*] And I am sure that the State of New Hampshire would be glad to have you up at Cannon Mountain and Franconia Notch.

THE PRESIDENT. I would love to come there some day.

Q. Now to the matter. I would like to know what is your opinion on the millions of illegal aliens now in the U.S. feeding at the public trough and filling jobs that should be available to U.S. citizens?

THE PRESIDENT. We have anywhere from 6 million to 8 million illegal aliens in this country, which is roughly the total amount of unemployment in numbers in this country. It's a very serious matter. And let me tell you what we are trying to do about it.

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[5] Member of the House of Representatives 1945–47 and Governor of New Hampshire 1949–53.

Number one, we are working very closely in a new program with the Mexican Government. That is one point of entry where there has been this tremendous increase. The cooperation that we are developing with the Mexican Government, I think, will produce some results in stopping the flow on the one hand.

When I was in Mexico about 18 months ago, I personally talked to President Echeverría about it.

Number two in this budget, this budget I have here, we have recommended additional employees for the Immigration and Naturalization Service so that they can do a better job of finding illegal aliens on the one hand and seeking to get them deported on the other hand.

Now, there is one other thing we are trying to do. I have favored legislation that has passed the House last year, as I recall, that makes it mandatory for an employer to ask whether a prospective employee is an illegal alien. That would be very helpful.

Unfortunately, the Senate has not approved it. But that would make the administration of this program much, much better. So, between better cooperation with Mexico primarily, through more employees to try and find illegal aliens and get them deported, and through prospective legislation, I hope we can make some significant advancements in solving the problem that you are talking about, because it does add to our unemployment, it does add in many major metropolitan communities to the welfare burden.

Those jobs ought to be available to legally—or legal immigrants or, certainly, American citizens. We are working on it as much as we can, because I recognize the difficulty.

Q. Mr. President, John Hoar, Jr. The other day you signed a bill which we have been looking for in this State concerning the railroads. I congratulate you for doing that. This encompasses certain provisions and clarifies certain provisions of the Regional Rail Reorganization Act, which we have been looking for.

We've got a bad situation in this State, being dependent on one railroad basically. That railroad, although it's not part of ConRail, is in a very tenuous condition. We are not unique in the country.

However, my question is, what do you see for the future of railroads and developing of the railroads and encouraging rail traffic, both freight and, I will put in parentheses, "passenger," because that depends a lot on the success of the freight.

THE PRESIDENT. The Congress did pass the bill that I signed last week. I recommended it. It involves $6,200 million. It provides for the rebuilding of roadbeds; it provides for the refinancing and consolidation of the New York

Central, Penn Central; it provides for reorganization of the Northeast rail system.

We have an excellent Secretary of Transportation, who I talked to before I signed the bill, and he has promised to move as rapidly as possible to get the bill totally implemented.

I can't give you the precise timetable, but he understands the urgency. And I can assure you that we are going to press very vigorously. The Northeast corridor rail system must be rebuilt, must be vigorously updated with new equipment, running equipment, with roadbeds that permit the traffic to move much more rapidly, improved station facilities, rail freight yards. It is a comprehensive program. It is the first one ever approved in this country.

In addition to that, of course, we do have the Amtrak program, which is primarily—or if not primarily, exclusively aimed at passenger traffic. That program—I think if Congress would not impose on it some of the totally uneconomic lines, we could do a better job.

But we will carry out the law. And that ought to provide in the areas where it is needed and justified improved passenger traffic. The real problem in the freight traffic area is a roadbed that is not sufficiently strong, if that is the right term. In some areas of the country, freight traffic has to go at 5 miles per hour.

Q. Right here in New Hampshire. [*Laughter*]

THE PRESIDENT. It is uneconomic from the rail point of view, and it's not good service from the point of view of the customer. But this legislation I signed will significantly increase the roadbed improvement operation.

Q. Mr. President, I am Hilda Fleisher, a representative from Manchester. I am on the health and welfare committee, and I am concerned because there is a Federal program that is giving the State a good deal of trouble. This is title 20 of the Social Security Act, which replaces title 4–A of the Social Security Act, and it has to do with supportive services for people who are on welfare or nearly on welfare, low-income people. These are services like day care, transportation for the elderly, Meals on Wheels for the elderly, homemaker services, and so on.

As I understand it, Congress replaced title 4–A with title 20 and there were two purposes, aside from the general purposes of it, and one was that we should be accountable for the funds that are distributed, and the second is that we should broaden the group of people who may be eligible for these supportive services. They are not money payment programs. They are really supportive services.

Now, we have found that the accountability part is enormous. In fact, it is causing so much trouble that we can't expand the base at all. I am concerned as

a State representative, because our welfare workers are spending as much as 85 percent of their time on paperwork, 15 percent of their time with clients.

I am concerned because I am associated with a private agency that administers a homemaker service, and I have talked to other people in agencies. Their staffs are spending so much time in the paperwork, in verifying whether someone is eligible.

If a mother comes in and has six children, 20 forms have to be filled in for each one of those children and for herself, and this is absurd.

We find that we are spending an enormous amount of time just doing paperwork, shuffling papers, at the private agency level, at the State level trying to see what happens to those papers. We've got to look at them when they come in.

I just wonder, who is accountable to us for all of this waste of our time?

THE PRESIDENT. The points you have made convinced me that we ought to approach the problem of delivering these services in a different way. And the net result is in one of the four block grant programs that I have recommended, we attack the problem that you are talking about.

Here is what we call a mess chart. [*Laughter*] What that shows is the 15 health service programs from the Federal Government to the local and State units of government. That shows where the money comes from, who runs it, from the Federal Government at the top and all the crosslines that end up down here with the beneficiary.

The one on the right—no, that is all the same one. We have one here on education, too. But what you are saying is best illustrated by this particular mess chart. You've got 15 categorical grant programs with all the verification, all of the applications, and the net result is you waste half of your time and a good share of your money in paper shuffling.

Now, what we propose to do is to take the money from the Federal Government and give it to the States, and with a passthrough in some cases for local units of government, and let them take the total amount of money and utilize it at the State or the local level as you in New Hampshire decide you ought to spend it. And you—or the people working in the program—are only accountable to the Federal Government in total. You don't have to apply for it except for one application.

Now, we have to get the Congress to go along with this. But it will save you money, it will save you time, and your clients will get much better service and more funding in reality.

So, I recognize the problem you are talking about. We've got to get the Congress to do this. And any help you can give us would be gratefully received.

Q. That sounds very good, but you will still be asking us to be accountable for that money and still want to know that it is going to the right people and for the right services.

THE PRESIDENT. We will give you the money for the social services program on the one hand or the health programs on the other.

Now, we have to have some understanding of where you spend it. We can't give it to the State for either social services or health and then have it go for highways. We do have to have some recordkeeping, but you don't have to go through a multiplicity of applications in health—15 programs. You can make one application for a block amount, get the money, and then, at the State and local level, you make the decision. As long as we are convinced that the money is going for the overall purpose, we are not going to come looking over your shoulder and have one investigator for every one of your social workers.

It is just the opposite. Under the present system, it is totally intolerable. Paul O'Neill is the expert here on this program, but isn't the overhead about 15 to 20?—about 10 percent on this program as we look at it. And we can reduce that to what percentage, Paul?

PAUL H. O'NEILL [Deputy Director of the Office of Mangement and Budget]. We can get rid of 2,300 Federal employees and have about 50 left.

THE PRESIDENT. This is an interesting statistic. If Congress would go along with that, we could get rid of 2,300 Federal employees and have 50 left. So, that shows how many fewer—[*laughter*]—how many fewer Federal employees would be bothering you.

Q. Nevertheless, we do have some control over how that title 20 money is spent. We make a State plan and we make the decision in the State how the money is to be spent. Nevertheless, one of those 50 people in Washington, or several, would still be saying, prove to us you spent it right.

And what bothers me, Mr. President, is that there are people in Washington who are doing their darnedest to see that we do not spend that money for the services that the Congress wanted.

THE PRESIDENT. Well, I am sure that you will be less harassed with 50 employees than 2,300. [*Laughter*]

Q. I hope so.

THE PRESIDENT. So, at least we will make headway in that regard. Now, Paul——

DEPUTY DIRECTOR O'NEILL. We are designing the legislation at the President's direction, and we have been working with mayors and Governors and county officials. And in the draft legislation that we now have, we would require that

the State do its own planning and that the State do its own auditing and that the responsible people at the State level simply certify to the Federal Government that they have met the intent of the statute. And that would be the end of it.

Q. And we would be hiring those 23,000 [2,300] people. [*Laughter*]

THE PRESIDENT. Let me tell you how it works with general revenue sharing. In the first year or two the Federal Government did have its own auditing procedures. But I think in most States today, the Treasury Department, the U.S. Treasury Department, has worked out with the respective States their own auditing system.

How many States? There must be 40 or more—have now worked out a system under general revenue sharing so there isn't a Federal investigator coming and checking on how general revenue sharing money is spent. And as Paul O'Neill has indicated, that is the same concept we would hope to have in this area.

Q. Mr. President, my name is Charles Pugster. I am the mayor of the city of Claremont from the other side of the State.

Your interest in skiing seems to elicit comments, and I would be remiss if I didn't bring to your attention a community-based skiing area we have in Claremont called Arrowhead. And its unique position is that the operation of this ski area is volunteer based amongst our citizens.

But coming to the question that I have, the environmental and safety legislation that is prevalent amongst us—I am not concerned with the objectives; I support the objectives of these pieces of legislation. But I am concerned with problems that are arising out of the implementation. And in particular I can go back to our own area and community. Some industries and some businesses, not just industries, the manufacturing people, have had to curtail employees and employment. Others have had to completely cease their operation simply because they were not large enough in capital to support an investment in these areas or they had to so increase the cost of their product that they became noncompetitive.

This meant losses of jobs, losses of local revenue, and a tremendous problem locally. My question is, in terms of trying to assist these small- and medium-sized commercial and manufacturing establishments throughout the whole country, what can the administration do to influence the administration of this legislation to perhaps influence immediate and total tax concessions that would provide immediate capital that they could make at least an investment into this problem area, or influence amendments to the law so that both the

environmental and the safety objectives can be met? But would it be fair to these segments of the economy and pose fewer problems to us here in New Hampshire that do not have large, huge corporations that have tremendous resources?

THE PRESIDENT. Let my clarify one thing. You are talking about the Environmental Protection Agency, not about the Occupational Health and Safety organization [Administration]. You are talking about the former, the Environmental Protection Agency?

Q. Yes, we are, and some of the safety implementations are administered with a great deal more of feeling and understanding. This we can say. But still there are areas there that appear to be actually—don't make too much sense when you come right down to it.

THE PRESIDENT. In the case of the EPA, they have, in my opinion, been too inflexible in some of their decisions as to certain standards. I think we have gotten a little different objective. We have a fine person in charge of it, a man named Russell Train. I think there is a realization now, in and out of Government, that we can't make up in a few years for all the environmental evils we perpetrated on the country over a period of a hundred years.

So there is, I think, a little more flexibility on the part of EPA. If you have a specific case, I would recommend that you communicate it to us. I think there is some flexibility, if there is a hardship involving the closing of a plant and the loss of jobs. It depends on the kind of damage to the environment in each case.

On some occasions—we have just had a tragic thing happen down in Virginia. You may have read about it, this kepone, a chemical. For some reasons or another that was not promptly and adequately handled by either the State or the Federal authorities. So, you almost have to handle each case on an individual basis.

Now, as to the tax incentive, there is a provision in the Internal Revenue Code that gives to business a tax write-off up to a certain percentage for the funds they expend in improving their plant and equipment to meet EPA standards.

I know that some small companies that have a bad cash flow have not been able to utilize that, but it is available and I think it is 20 percent, as I recall. But anyhow, there is such a provision, and I think a good many companies I know have used it. But there are some, I am sure, that for economic reasons, can't finance it.

But the concept is good. Whether it can meet every particular plant's problem or not depends on the individual plant.

Q. Part of our problem, Mr. President, is not solely with the existing plant but

with our problem of trying to make a turnover of jobs available as we have the ebb and flow of companies moving in and out and trying to attract new industries and new companies, that they come in and are immediately faced with this type of a problem. And this is why I address the administration part of it. And are there things we could do from the administrative part rather than through the channel of amendments, which takes a longer process?

THE PRESIDENT. We will take a look at it. But I do know, as I said a moment ago, there is, I think, a more understanding and flexible attitude today than there was, say 3 years ago.

Q. Mr. President, John McDonald, State representative from Manchester, the home of the McIntyre ski area. [*Laughter*]

Mr. President, both of our New Hampshire Senators are actively pursuing legislation which would, in effect, cut one of the links in the marketing chain of the major oil companies wherein they would not be controlling oil from the wellhead to the pump. If such legislation is passed, Mr. President, would you sign this type of legislation or veto it?

THE PRESIDENT. You are talking about the proposals for divestiture?

Q. That is correct.

THE PRESIDENT. Either horizontal or vertical, and there are a number of proposals in the Congress. I think there is one that has been reported by a Senate committee or subcommittee that would provided for divestiture. I have no sympathy for the giant oil companies as such. In fact, we are being blamed because FEA and others are watching them too closely.

But anyhow, I don't think divestiture is the way to solve the problem. It seems to me that a well-managed oil company, big or small, is the best way to solve our energy problem. And to just tear them apart I don't think answers the problem.

We have, as I recall, about 10 to 15 major oil companies. They reaped a financial bonanza a year or so ago. They are having a less desirable year at the present time, but to tear them up, in my opinion, is not the best way to get them to get in and help us solve the energy problem.

So, I am against just the kind of legislation that I think you are talking about.

Q. Mr. President, Representative McLaughlin from Nashua. Would you care to comment on the U.S. Coast Guard's encroachment on the inland waters of the State of New Hampshire? [*Laughter*]

THE PRESIDENT. I think you are talking about problems involving Lake Winnipesaukee.

Q. Yes, sir.

THE PRESIDENT. And there is another one I cannot pronounce. Well, as I understand the history of this situation, several years ago a highway had to be built across the channel. At that time, it was decided by the Coast Guard that they had to give a permit and they determined that those were Federal waters. Now, I have never been to those lakes, so I can't describe the situation in detail, but the matter has gone personally to the Secretary of Transportation. He has written to the Governor, and he makes two suggestions for the solution.

Number one, there is a possibility of remedying the situation by the State. Instead of putting a State tax on the boats, puts a State tax on the use of ramps on the two lakes. That is one possibility.

The other possibility is for the Congress to pass legislation which is being drafted by the Department of Transportation, which excludes those two lakes from Federal jurisdiction. I am sure the Department of Transportation will be working with your Members of the House as well as the Senate. It seems to me the better way to solve the problem is to get Congress to make an exception in this case.

As I understand the geography, until they put this highway bridge across there, they were never considered navigable waters. But some bureaucrat decided that they had to grant permission under the existing highway legislation, so they granted the permit on the basis they were navigable waters. And once they are navigable waters then the Federal Government has jurisdiction and your State tax is illegal.

I think the better way to do it is one of the two alternatives recommended by Secretary Coleman to get specific legislation, which I believe can be passed without too much trouble, and it would exclude those two lakes from the category of navigable waters. If that is done by the Congress, I will sign the legislation.

Q. Mr. President, I am John Scorpo, selectman from Hudson, and I am happy to hear you are going to continue to try to expand the general revenue sharing, because that has allowed Hudson to obtain very good services without having to increase our tax rate almost 10 percent.

However, when we try to get some assistance to comply with the Water Pollution Control Act, we seem to run into all kinds of restrictions. I noticed in your proposed budget that you are recommending a 60-percent increase in sewage treatment facilities. But then as I read further down the line, you mention there is pending legislation that might reduce the Federal commitment from 333 billion down to 45 billion on a long term basis. I was wondering if you would comment on that.

THE PRESIDENT. Well, Congress 5 years ago, as I recollect, passed an $18 billion program for Federal aid to local units of government for sewage treatment plants. The law expires, I think, next year, if I recall it correctly.

Now, under the present law, you are correct that there will be $6,900 million spent on local water pollution units, which is 60 percent more than last year. And I think it is 90 percent more than 2 years ago.

Now, under the proposed law, we are recommending some changes, and one, for example, we don't think that Federal money should go into a local water treatment plant and participate in a 10-year growth factor.

Under the present law and under the present funding, the Federal Government pays for a 10-year growth factor. The Federal responsibility should be to catch up so that the local community at the present time is able to handle the sewage treatment problem up to the standards at the present time.

Now, the community ought to look down the road at the growth factor, and, when you crank that factor in that I have discussed, it does account for a significant part of the reduction in the funds that we are proposing. And there are some other modifications which we think, in the long run, are proper, now that we are going to be more or less caught up in the local communities around the country. There will still be a lot of money there, but it won't be as much because of the one or two factors that I have described. There will be money there. And we have recommended it, and I think it will be adequate to handle those communities that didn't qualify or didn't apply under the current program.

I can assure you that we believe that a Federal contribution is right, but it has to be tailored to meet the needs at the end of this law, or at the termination of this law, not just the same amount as we have had for the last 4 or 5 years.

Q. Mr. President, Costas S. Tentas, chairman of the New Hampshire State Liquor Commission. I also want to welcome you to New Hampshire. It's nice to see you again.

THE PRESIDENT. Thank you.

Q. And I want to convey to you the best regards of my counterpart in Michigan, Stan Thayer.

THE PRESIDENT. We both have monopolies.

Q. We certainly do.

THE PRESIDENT. It makes a lot of money for Michigan. I don't know about New Hampshire.

Q. More so in New Hampshire. One of the areas of concern to not only New Hampshire but all the sister-controlled States, which are 18—plus 1 county, Montgomery County in Maryland—is the amount of Federal taxes that are tied

up in State funds. Our association, which is the National Alcoholic Beverage Control Association, which is based in Washington, has been reviewing and at the present time there is some $115 million tied up in all these 18 controlled States. Specifically for New Hampshire, of our $10 million inventory, we have some $6 million of excise taxes tied up.

We have been looking at it carefully with DISCUS, which is the Distilled Spirits of the United States, that if at some time will the Federal Government look quite favorably to either the deferment of taxes or possibly the return of some of these funds to the individual-controlled States and the open States?

THE PRESIDENT. Let me see if I understand the problem. When your commission or the one in Michigan buys liquor, they have to pay the Federal tax, and you have the inventory on hand until you sell it through your various channels.

Q. Which includes the Federal taxes.

THE PRESIDENT. Right. I wish I could say yes.

Q. I wish you could, too. [*Laughter*]

THE PRESIDENT. But we would be treating you, your State differently than we would any other wholesaler. And that is what you are, you are a wholesaler. If we treated Michigan and New Hampshire differently as a wholesaler than we treat others, I think we would have a significant number of complaints.

Q. Our proposal would be that all States be treated equally, that the deferment of taxes be made and then a creation of bonded warehouses within each respective State to monitor those taxes that are due the Federal Government.

THE PRESIDENT. You know we need a little money, too, and you are making money. [*Laughter*] I am sure your organization, you and Stan Thayer, will be talking to my people in the Treasury and others in the Congress, but give us a little breathing space on that, will you?

Okay, two more.

Q. Mr. President, my name is Peter Shapiro, and I represent Concord in the General Court and also in the city council. We don't have any ski areas, but there is a great cross-country area in my backyard around the corner, if you want to go.

My concern is—and I think it is the concern of a lot of my friends—that education is the strength and the backbone of the country. My son, at the end of your next term, Mr. President, will be getting ready to go to college. And I am wondering what plans you have or what programs you propose to present that will allow those people in the middle areas the ability to have their children at-

tend college, and specifically, the private institutions as opposed to the public institutions.

THE PRESIDENT. We have a number of financial aid programs for students. The emphasis is, I must admit, primarily at what we categorize as a needy student, and under the Basic Opportunity Grant programs, BOG's, we recommended in this budget $1,100 million.

We also have several other programs. We have a work program, a work incentive program, so a student on a campus can get employment under the direction of the school or the university. We also have a student loan program, which has helped countless thousands. There are one or two other programs, but those are basically the programs. Then, in addition—and this, I think, is a very fundamental question—in the tax reduction bill that I recommended last year, which the Congress did not accept in toto, I recommended that a better tax break go to the middle-income people, because over the years—I know from being in the Congress—there has been an increasing burden put on the middle-income individual, whether he is blue collar or white collar.

And in the tax reduction proposal that I submitted with the State of the Union, the Economic Report, I reiterated that. That will help, if Congress passes it, the kind of people who are from $9,000 to $25,000 a year. It is a segment of our society that at the Federal level has gotten short shrift compared to others. And I think, fundamentally, in the long run that is the best way to handle and help the problem you are talking about, plus the individual student aid programs I have indicated.

One more.

Q. Mr. President, George Roberts, State representative from Gilmanton. In the Northeast we are particularly concerned about the cost of oil, particularly for home fuel oil, and I understand that under your budget you have a comprehensive program for independence from the foreign nations by 1985.

Could you just briefly state how the State of New Hampshire would be affected by that in that interim, and what is your position on the use of nuclear energy as a fuel substitute?

THE PRESIDENT. Let me answer the last part first. A year ago in January in my State of the Union Message, I laid out the things we had to do in order to get energy independence, and one of them was that we had to build 200 new nuclear powerplants in the United States between then and 1985. The unfortunate part is that that program has slowed down for several reasons: One, financing; two, a great many lawsuits filed by environmentalists and others and some concern on the part of people that there was a safety factor.

Now, I strongly believe in a nuclear power program. We have to.

Now, in the meantime, to get over some of these questions that are being raised, I put into the budget—again, this budget—a significant increase in funding to check reliability of these powerplants, and there has been some evidence where there have been breakdowns.

Two, safety. With the money that we have recommended here, I think we can improve not only reliability but safety. If that is done, I am convinced that we should move much, much faster in our nuclear power program.

We have a new nuclear regulatory agency that was split off from the Atomic Energy Commission, and that agency is supposed to be working on an accelerated basis to handle the applications and the challenges that come on individual plants.

I do not think that I should speak specifically about any particular matter that is in litigation before the Nuclear Regulatory Commission because I am advised, if I should, that it might be, under the court action, another reason for delaying this Seabrook project down here in your State.

I am strongly for nuclear energy. I think it has to be accelerated. And with the research and development, with the pressure on the NRC, and with the better financing situation, I think we are going to see more movement in nuclear power throughout the country.

Now, overall, again in January of last year I proposed a comprehensive energy program that would get us energy independence or sufficiency by 1985. It included a number of things: One, something to stimulate domestic production. Domestic production of oil and gas in the United States has been going down dramatically since 1972. We are now producing considerably less gas and oil today than we did 3 or 4 years ago. We have to give an incentive for people to go out and drill for gas and drill for oil.

In the meantime, we have to have conservation programs. We have to have programs that permit an easier transfer from oil to coal. We have to provide an incentive for insulation of homes. We have to put pressure on the automotive industry to increase the efficiency of their automobiles. And I am glad to report—it is public knowledge—that in the last 2 years, under this pressure, the automotive industry in the United States has increased their efficiency about 27 percent, and they are selling more cars because of it. They are going to have a good year this year as our economy burgeons.

Now, all of these things put together are aimed at getting us away from dependence on foreign oil. The Congress thus far has passed 4 of the 13 programs

I recommended. We hope to get them to do some other things, to free up the Navy petroleum oil in California, which would give us 300,000 barrels a day more. If we can get them to move in the relaxation of some of these tests and these limits that they have imposed by law, we can, I think, move more rapidly.

We got a setback last week. The House of Representatives made a bad mistake, in my opinion, in not deregulating natural gas. It is unbelievable. It lost by 4 votes, or 202 to 196, as I recall. It is just unbelievable. All they are going to do is keep gas in the ground, and we will be buying more foreign oil.

That doesn't make any sense, but that is what they have done temporarily. We hope to find a way out of it. But I am convinced that we have made a little headway, not enough, and I am going to keep pressure on the Congress, because we have to get some of these laws changed, we have to get some new laws.

One final comment. There are some so-called exotic fuels—let me tell you, solar energy, geothermal energy, and even some more exotic than those—in the research and development fund in this budget, I increased research and development money for solar energy by, I think, 35 percent.

It went from around $85 million a year up to $112 or $115 million in this budget. We are pushing as rapidly as we can on solar energy. We've got a considerable amount of money in here for geothermal energy. We have some for even more exotic fuels. But that is the long term. It is not going to come overnight. But with research and development money of the magnitude I have proposed, we can make significant progress, and we are going to keep after it.

Q. Thank you, Mr. President.

THE PRESIDENT. May I first thank you for being so patient and asking tough, unrehearsed questions. And I have benefited from them, and I hope it has been helpful to you.

I invite you now to go down the corridor, where there will be a reception in the gymnasium, and I would like to meet as many of you as I could personally.

Thank you very much.

NOTE: The President spoke at 12:30 p.m. in the cafeteria at Rundlett Junior High School at the briefing for New Hampshire officials.

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Remarks at a Chamber of Commerce Dinner in Nashua, New Hampshire. *February 7, 1976*

Thank you very, very much. Mr. Chairman, Congressman Jim Cleveland, Mayor Sullivan, Ross Tait, my old friend, Norris Cotton, distinguished guests, ladies and gentlemen:

Let me at the outset thank Mayor Sullivan for the key to the city of Nashua, to congratulate Mary Sullivan for the wonderful recognition she has gotten for the long and devoted and successful service to the Greater Nashua Chamber of Commerce.

I am deeply honored to have the opportunity of being here on this wonderful occasion—a chamber of commerce which has done so much to make the Gate City the gateway to progress.

Obviously, I wish to congratulate Sam Tamposi, your 1975 Citizen of the Year. I understand that Sam has served not only your community but the entire Nation by the example of what local initiative can do for government.

The distinguished honoree has also done some recent development in another capacity throughout your State, but discretion suggests I confine myself to the achievements for which you have already cited him. [*Laughter*]

I also am more than delighted to meet my former colleague of a good many years in the Congress and a very dear friend of many, many years, Norris Cotton, your 1974 Citizen of the Year.

I hope it is not inappropriate, and I hope it is somewhat obvious, but I have come to New Hampshire to ask for your support on February 24. But whether or not you help in that regard, you have already given me great, great encouragement by showing what Americans can do.

In recent years, when many leaders of communities, large and small, voiced despair and turned to the Federal Government to open its gates to solve local problems, the Gate City opened its gates to traditional Yankee initiative. You built a showcase of industrial growth, new jobs, new homes, new hopes for the thousands of new residents. Your vigorous growth helps to tell the Nashua story.

Your community is highly productive and has generated many, many new jobs. Your story is in the finest American tradition of how local people can solve local problems, of how individuals can respond to possibilities rather than surrender to pessimism, and how this is not only the State of the Great Stone Face but of granite fortitude and granite character.

All Americans in all 48 or 49 other States can learn from your example of the "can do" spirit, and I congratulate you for it.

As you join in the national celebration of our Bicentennial, we are reminded by the historical archives in Washington that New Hampshire was a "can do" State from the very, very beginning.

The First New Hampshire Regiment fought from the first repulse of the British on Bunker Hill. Through Valley Forge and Trenton to the surrender at Yorktown, your regiment had the longest service record of any unit in George Washington's army, a total of 8 years and 8 months in strong, tough, military action.

The first warship to fly the American flag, the *Ranger,* commanded by John Paul Jones, was built in your great shipyard at Portsmouth, which we are not going to close.

If any State can take pride in the Bicentennial, it is New Hampshire. And if any community can take pride in the achievements of this Bicentennial Year, it is Greater Nashua, and I salute you for your thriving enterprise and individual initiative as you day by day and month by month build for the future.

What I like most about the Nashua story is that you expose the Nation's pessimists as exemplified in that fable about Chicken Little. You may recall Chicken Little was hit on the head by a single acorn and then ran around telling everybody that the sky was falling.

The fact is that America has been hit on the head by some very heavy acorns in recent years and recent months—recessionary acorns, inflationary acorns, unemployment acorns, energy acorns.

Just a year ago, I heard many fearful outcries that we needed massive Federal programs spending billions and billions of dollars to save the economy, that a terrible depression was descending upon us, that bread was going to $1 a loaf, and that unemployment lines would only get longer and longer and longer.

But I was convinced that we had to take consistent and balanced action, neither too much on the one hand or too little on the other, the right steps and not the wrong steps. I knew that measures taken in panic would be counterproductive. The proper response would prove, as has been established, that our Nation is resilient, resourceful, and very, very sound, and we should be very proud of it.

Make no mistake, things were not good this time last year. Nineteen hundred and seventy-five was the year of very hard decisions and very difficult compromises, but it was also a year of new realism that taught us something—some-

thing important about America. It restored common sense and the same kind of discipline that kept the First New Hampshire Regiment in the line through Valley Forge to final victory.

The economic discipline we have maintained is justified by the statistics released yesterday. They reported that the unemployment rate just took the sharpest monthly drop in over 17 years.

The number of unemployed is today the smallest since December 1974. Employment has increased by 2.1 million since last March, at the bottom of the recession. Over 86.2 million Americans are now at work. Better than 92 percent of the work force is actually gainfully employed.

We are today headed not only in a new direction but in the right direction. It is the right direction because we follow the 200-year-old wisdom that national problemsolving requires far more than a central government which promises too much and delivers far too little.

A free society, according to Jefferson and Adams, depended upon qualities that they called "republican virtues"—civic virtue, the ethic of honest work, and local control by local people.

During the recent years of very rapid change, more and more people looked to Washington to solve local problems. Too much was expected; too much was promised. Some citizens felt automatically entitled to a constantly rising living standard without regard to their own efforts, to their individual productivity, or their personal contribution to the community and to the economy.

Freedom is today misinterpreted by too many to mean the instant equalization of everyone's social and economic situation at the public expense through the machinery of the Federal Government.

I pledge to you today that my administration will strive to deliver everything we promise. I will never promise more than I can deliver.

The false premises and false promises of years of social experimentation distorted the Federal system. Power was drained away from Nashua, from New Hampshire, and from every community and every State to an increasing centralized Federal Government—always bigger, always more powerful, but not always more efficient nor more responsive nor more protective of our traditional freedoms.

The patriots who built America understood that poverty is abolished by economic growth, not by government-imposed redistribution of money. They knew that only initiative and work could create a society with economic prosperity and political participation by everyone.

They knew that local problems are better understood and solved by local

people rather than by the bureaus and agencies of a distant, impersonal central government. They knew that the pendulum of power must never swing too far away from the people in every one of the 50 States.

If this year's Bicentennial is to be more than a historic pageantry, we must restore to the people more power to decide how their taxes are spent, how they live, how they work, how they fight crime, and how their children go to school. Should the Bicentennial achieve nothing else, this alone would be a triumph for our heritage.

Despite our recent gains in employment, too many people who want jobs still can't find them. Five out of six American jobs are in private business and private industry.

I, therefore, am deeply concerned by the difficulties of various industries like the shoe factories in New Hampshire. The Trade Act of 1974, which I supported as Vice President and signed into law as President, provides the mechanism, now activated, to assure that our American shoe factories receive fair treatment. I want such traditional American factories to have access to every remedy provided by law and a full say in their own destiny.

To create more jobs, there must also be a greater incentive to invest without the strangulation of Federal taxation and redtape. I am seeking from the Congress a reduction in the growth of Federal spending, accompanied—and this is crucial—by a reduction of Federal taxes.

And let me reemphasize, if I might, we cannot have an honest bona fide tax reduction unless we put a legitimate restraint on the growth in Federal spending. But, if we are firm in our desire to restrain the growth of Federal spending—which has been at the rate of about 11 percent per year for the last 10 years—if we just cut that growth in half to 5 to 5½ percent, we cannot only balance our budget in 3 years, but we can have an additional tax reduction over and above the one that I hope and trust will be extended beyond June 30, 1976.

Let me add one or two other features about taxes. My job creation tax incentives submitted to the Congress this year would speed up plant expansion and facilitate the purchase of millions and millions of dollars of new equipment. These incentives would concentrate in areas of unemployment in the next 12 months. We must create the economic climate in America to generate productive, permanent, and private jobs rather than temporary, makework, inflationary, government-sponsored jobs.

This weekend we have new evidence that we are moving quite dramatically in the right direction. The latest employment figures released on Friday show

800,000 more people at work in the month of January than in the month before. The unemployment rate is down from 8.3 to 7.8. This is the largest reduction in percentage since 1960. We have regained 96 percent of the jobs lost to the recession, and most of it has come in the private sector, where the greatest opportunity exists for future improvement.

The Nashua Telegraph is correct in saying editorially that I want to create "concrete and lasting jobs in the private sector rather than manufacturing styrofoam cutouts which the public sector would have to prop up artificially with public funds."

I appreciate that dramatic description of what some people want to do, but which I categorically resist, and I thank Herm Pouliot[1] and the Nashua Telegraph for those, I think, very perceptive words. I might add with a postscript, it was a very nice editorial.

I also strongly believe—and have for some time—tax changes to encourage people to invest in their own future and that of America. I want to give moderate-income families tax deductions or tax deferrals when they make long-term investments in common stock. I want as many people as possible in this great country to be partners, however modestly, in the growth and the strength of America.

We must also preserve the vigor and the continuity of the family-owned small business and family farm. These enterprises are bastions of the real American values. And I will submit to the Congress the estate tax legislative changes to assure that a family business and a family farm can be handed down from one generation to another. Too much labor and too much love go into these enterprises for them to be sold to pay Federal taxes.

Those who invest in new enterprises invest in American progress and in jobs for their fellow citizens. An example of job creation is the brewery opened here in 1970. It represents an initial investment of some $40 million and now employs, as I understand it, some 400 people.

But I hope no one will contend that the cure for unemployment is to build Government breweries to brew Government beer. Quite honestly, I don't think the United States Government could make beer for less than $50 a six-pack. [*Laughter*]

A very necessary condition for the success of your brewery and all of your other industries is the entrepreneur spirit. This cannot be achieved if the Government is to go on piling regulation upon regulation and stringing red-

[1] Publisher of the Nashua Telegraph.

tape over redtape and assessing tax after tax to cover new Government spending. Such policies impose an inflationary burden on business as well as the consumer, and I will never lead this Nation down that road of stagnation.

The people are as fed up with the petty tyranny of Federal regulations today as when patriots defied the tax collectors over 200 years ago and threw the tea into the Boston Harbor.

Some of you, I am sure, have experienced serious difficulty at the not always tender hands of the Occupational Safety and Health Administration. I know some of you would like to throw OSHA into the ocean. In fact, some of you couldn't be more upset with OSHA if Ron Nessen was running it. [*Laughter*]

I have studied, to be frank and honest with you, some very valid complaints about OSHA and concluded that while everyone is for safe and healthy working conditions, many are troubled by the manner in which this objective is sought.

Congress wrote the law, and we must obey it. However, under my authority as President, I have appointed a new director with specific instructions to deal with citizens as friends, not as enemies. I will not tolerate the unnecessary and unjustified harassment of citizens. If this does not stop, I want you to let me know.

Another indication that we are moving on the right track is the Railroad Revitalization and Regulatory Reform Act of 1976, which I proposed to the Congress last year and which I was pleased to sign into law several days ago. It upgrades railroad facilities in a way that will keep our recovery rolling. Your State is eligible for several millions of dollars to improve rail service under this act, and I think this is all to the good, not only for New Hampshire but for the Nation as a whole.

I am deeply concerned by an issue which has a particular impact on older Americans, now retired, who have always paid their own way. I refer to medical costs involving senior citizens and their families who suffer ruinous expenses because of an extended hospital and nursing home care. I have, therefore, proposed health insurance to cover any catastrophic illnesses suffered by anyone covered by Medicare.

I think most of us in our daily lives over the years have known an individual or known a family where there was a catastrophic illness that went on and on and on with the costs and expenses which are impossible to bear. We have to do something about this. Therefore, under the proposal that I have suggested, after reaching the age of 65, no person will have to pay more than $500 a year for hospital or nursing home care, nor more than $250 for doctor bills in any one year.

But let me add this. While we must help those who need it most—and in the United States in this category there are roughly 3 million—we cannot realistically afford federally dictated national health insurance providing full coverage for all 215 million Americans. It is not only the cost, but as we look around the world, the experience of other countries raises questions about the quality as well as the cost of such plans.

In another most important area, the time is long, long overdue for Congress to renew general revenue sharing for the next 5 years. I have asked Congress some 10 months ago to act on this legislation to bring power back to the people.

General revenue sharing is a program that I think best exemplifies responsive federalism. It provides assistance to State and local units of government with a minimum of redtape and administrative expense. It returns Federal dollars to your community or to your State. It permits local officials elected by you in your respective townships or communities to set priorities and to plan ahead to meet local needs, and it doesn't require you to raise local taxes.

From the beginning of general revenue sharing in 1972, which was a real breakthrough, the projected total for 1976—the Nashua share will be between $4.5 million and $5 million. Mayor Sullivan, you know how important it is.

The sums expended in this community, according to the wishes of your local officials, provided as of last year over $1.6 million for public safety, including police and fire departments, over $1.1 million for environmental protection, over $200,000 for health, and other sums involving social services for the aged and for the poor. Almost $5.2 million more would be returned to this growing, this vigorous community by 1982 under the proposed extension of the legislation if Congress will move.

From the beginning in 1972 through the projected total for 1976, New Hampshire will receive $96 million. Under the program proposed, which I hope Congress will act upon, another $125 million of your tax dollars would come back to New Hampshire between 1977 and 1982.

For many reasons—the people I have met here tonight, the people I have met during the day—I am as optimistic about Nashua and its future as you are. I am equally optimistic about the future of New Hampshire, in fact all of New England, and I must add very quickly, all of our 50 States and 215 million Americans.

Let no exaggeration of inflation or unemployment blind us to the genuine progress we have achieved within the last year. Our economy is steadily growing stronger. Our policies are designed to keep us on a very steady and progressively better course. The course is set for a new balance in the relationship

between the individual on the one hand and the Government on the other, a balance that favors greater individual freedom and self-reliance.

We must also seek a new balance that favors greater responsibility and freedoms for our State and local units of government. We must have a new balance between spending on domestic programs and spending on defense, a balance that ensures we will fully meet our obligations to the needy while we are also protecting our security in a world that is still hostile to freedom.

The genius of America is its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity.

It took many years of excessive spending, combined with a fourfold increase in international oil prices, to create the economic difficulties of 1974 and 1975. It will take several years of sound policies and reasoned restraint to restore sustained, noninflationary growth.

I will not make promises which I know and you know cannot be kept. We must restore full strength to our economy as quickly as we possibly can, but in so doing, we must not reignite the fires of inflation.

Escalating inflation, as we all know, makes steady growth and full employment totally impossible. It breeds instant instability and disruption.

I strongly reject the view that the only way to reduce unemployment is to accept chronic inflation or rigid controls. We certainly don't want either. Inflation and unemployment are not opposites, but actually related symptoms.

The way to treat the disease instead of these symptoms is by the use of proven remedies prescribed throughout New Hampshire—the medicine of initiative, enterprise, investment, development, growth, and just plain common sense taken together with the therapy of good hard work.

Yes, we see the results. Your unemployment is lower than many other areas of the Nation. You must be doing many things that are right here. I believe in the example that you hold forth, the living demonstration of what people can do to determine their own fate.

America's spirit is alive and vigorous here in Nashua, and America's spirit is alive and vigorous because of communities like Nashua. Never let that spirit die so we can continue to be proud to be Americans and proud of America.

Thank you very much.

NOTE: The President spoke at 9:22 p.m. in the gymnasium at the Nashua Senior High School. In his opening remarks, he referred to Frank Harvey, chairman of the dinner, Representative James C. Cleveland, chairman of the New Hampshire President Ford Committee, Mayor Dennis J. Sullivan of Nashua, and Ross Tait, president of the Nashua Chamber of Commerce.

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Remarks at a President Ford Committee Reception in Concord, New Hampshire. *February 8, 1976*

LET ME make a comment or two to this wonderful group in this particular room where Betty and I have both had the opportunity of shaking hands with many of you.

I want to look each and every one of you right square in the eye and thank you from the bottom of my heart for the tremendous effort and the great things you are doing to help Betty and me and Susan and the others to go back to Washington and do a job for you, for New Hampshire, and for the country. And for that, both of us here, as well as Susan, are most grateful.

I have heard from the people that are working with you here in New Hampshire, and they have assured me day after day after day that we not only had outstanding people but we had a lot of first-class people working on my behalf.

And when we can see firsthand this many people on a Sunday noon, on a day when I know you would prefer to be skiing or watching the Olympics or doing a million other things, to come here to show the support for what we are trying to do and to indicate that you are willing to go down to the line to make certain and to make positive that the things we stand for will be preserved and expanded for the next 4 years, it makes me very, very grateful and most appreciative. And I can't thank you enough.

Now, if you will excuse me, I will go to the other room, where they have been listening, and the PA will come back here and you can listen to what I say over there. And we will try to change it just a little bit.

[*At this point the President left the cafeteria and proceeded to the gymnasium, where he spoke to the overflow crowd as follows:*]

Thank you very, very much, all of you in this room and that same wonderful group in the other room for being here this morning.

We have had a superb day yesterday. It looks like everything is turning up rosy with a fine, fine turnout like this on a Sunday noon.

I know you have got a million other things you would rather do, and I, therefore, am most grateful for the fact that you are here, that you are interested, and that you are going out there to help us win February 24.

Susan went up late yesterday afternoon to Conway and skied. This morning she told me that the racing was great and she had a wonderful time.

I said, "Susan, don't tell that to me, tell it to Ron Nessen." [*Laughter*]

But let me, if I might, kick off from that point. Competition—whether it is on the ski slopes or on the athletic field or in business or in labor or in government—it is good for America.

We ought to link competition today as our forefathers did, across the spectrum. Competition in the political arena is good—ideas, differences of opinion. I happen to believe there are some very, very important differences that ought to be discussed, discussed rationally.

There is an old saying in the House of Representatives that you can disagree without being disagreeable. We are on the right side on the issues. We know something about running the Federal Government, and we have an opportunity to get out there and sell what we are trying to do.

I was thinking this morning back about 18 or 19 months ago when I became President, and that first night I said a long, long prayer, because I knew there were a great many problems that had to be solved.

What were those? Well, we were then in the throes of double-digit inflation—12, 13, 14 percent—we were approximating the brink of recession, and bad signs of unemployment were beginning to emerge. I knew that there were many in Western Europe and some in the Pacific who questioned whether the United States Government with a new President would meet the challenge that had to be met if we were to carry out our international responsibility.

But in the last 18 months, with the help of millions and millions of fine people like you, we have turned this all around. We have reassured our allies in Western Europe. They know we are as strong, if not stronger, today than we were before.

We have broadened and strengthened our relations with the Japanese so that a very important relationship in the Pacific is in the best of shape. We have moved forward in every area to strengthen the American position, to maintain peace worldwide. But because the American people had patience and confidence and were courageous and had restraint and didn't go for some panic button, we have turned the economy around.

We had some great news on Friday. You may have read about it or heard it, but I think it is worthwhile repeating. In the month of January, 800,000 more Americans went to work than worked in the month of December. That was the greatest increase in 1 month since 1960. At the same time, the rate of unemployment went down a half a percentage point which was the largest decrease in the unemployment figure since 1959.

We have regained 96 percent of the jobs lost during the recession, and 2,100,000

more people are working today than worked in March of last year. Eighty-six and a half million people gainfully employed, better than 92 percent of the work force in this country is working today. And all of these improvements were achieved not by some phony quick fix but by saying the place to achieve success in turning around from a recession is in the private sector.

Five out of every six jobs in this country come from the private sector. The other one-sixth comes from government. So, if we are going to solve the problem of unemployment we should do it in the private sector, and that is what we are going to do.

If you try to do it the public sector way, you pile deficit upon deficit upon deficit. And speaking of deficits and Federal financing, let me make this observation. We have a strong program to put a restraint on the increase in Federal spending, and if we do, we can then have a bona fide bigger tax cut in 1976, we will balance the budget in 1978, 1979, and we can have an additional tax cut at that time. That is good, sound government policy.

Now, let me speak for just a minute about the future. We have to have a balance between the Federal Government and the State government. We have to maintain this new federalism that we have tried to promote, where the Federal Government gives the money to the State governments and to local units of government so they can carry out and deliver the services at the local and State level in a better way.

Isn't it far, far better to have those Federal dollars in health, child nutrition, education, and social services? Isn't it better to have the Federal money handled at the local and State level rather than dictated to you by some bureaucrat in Washington, D.C.?

And, of course, the worse alternative would be not to give you the money, and if you wanted the services, to have to raise local taxes to carry out the services.

But let me say one word about the future of the children who are here—and there are some wonderful young boys and girls—and every time I look at them, I wonder if what we are doing is right for that generation.

I think all of us can survive, but we have an honest obligation, all of us, to make sure that we do the right things in government today so that they have a better America tomorrow.

And what can we do? First, we have to get the American people today to have faith in their government. That means that the disillusionment that exists today must be eliminated, eradicated; we shouldn't promise more than we can deliver, and we should deliver everything we promise. That is the way to get the American people to have faith in their government.

But then we have an obligation also in certain fields, research and development, to spend money today so that we can have exotic fuels to solve our energy problem, make America energy independent, solar energy.

Just in passing, I increased the funding for research and development in solar energy by 35 to 40 percent in the next budget. It went from 86 million to 120-some million, as I recollect.

We are going to spend all the money we can for those things that will make a better life and a better America for these young children. The hope they have is that we will do a good job. And I intend to spend as many hours, as many days as I can to make sure that your Federal Government runs right, that you can be proud of your Government, that you and I can be proud of America and proud to be Americans.

Thank you very, very much.

NOTE: The President spoke at 1:17 p.m. at Rundlett Junior High School.

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The President's News Conference of *February 8, 1976*

THE PRESIDENT. Good afternoon. I have enjoyed being here. Ron Nessen has enjoyed being here. The next time Ron comes, I think we will get Ron to ski up here. [*Laughter*]

Why don't we have the first question?

NEW HAMPSHIRE PRESIDENTIAL PRIMARY

[1.] Q. Mr. President, John Whiteman, Portsmouth Herald.

A survey in a Boston newspaper today says that Mr. Reagan's campaign has contacted more New Hampshire voters than yours, and it suggested the Ford campaign has been out-organized so far.

In an apparently tight race, do you feel the 16 days remaining is sufficient for you to swing enough voters to win this New Hampshire primary campaign?

THE PRESIDENT. I believe in the final analysis the voters in New Hampshire will make a decision on the basis of policies, the policies that I have implemented, the policies that have proven successful as far our economy is concerned, turning it around, starting it up on an upswing. I don't think they will make their decision on the basis of promises or rhetoric.

Secondly, I think our organization is a good organization. I met with 700—

800, maybe more, this afternoon in Concord—extremely enthusiastic, coming from all over the State. They have done a good job, and they will do a good job.

It is my impression the many times I have been to New Hampshire in the past—not just in the last month—will have an impact because of the numerous times that I have been in New Hampshire over the last 10 or 15 years. I have acquired many friends, many individuals who believe in my policies, so I am not just coming in for a last-minute effort.

I have a vast reservoir of good friends here that I have made over the years including, I think, three times in 1975. So, ours is not a last-minute effort like some campaigns have been. I have policies that are on the record, and I don't have to say I would do this hypothetically.

So, our efforts in the last several days, I think, have been a good climax to what we have done over a great many years.

NUCLEAR ENERGY

[2.] Q. Mr. President, Miles Clevesy, Plymouth State College.

Mr. President, in a February 5 Manchester Union Leader article entitled "Action Irks Governor," New Hampshire Governor Meldrim Thomson, Jr., severely criticized your administration for the ruling by the Atomic Energy Safety and Licensing Board which will delay a proposed nuclear energy plant at Seabrook.

The Governor blames the Board for freezing nearly 3,000 badly needed construction jobs in the State and charged that the delay of the nuclear plants construction is costing the electric-consuming public $10 million a month.

As I understand it, Mr. President, you called for construction of 200 major nuclear plants by 1985 in the United States. Would you care to comment on both Governor Thomson's charges and how the constant delays in awarding the permits to Seabrook affect your deadline for 1985 for more such plants?

THE PRESIDENT. Under the laws passed by Congress, a Nuclear Regulatory Commission has been established. It has the sole jurisdiction to make a decision as to any applicant and any protest made concerning that applicant. Any interference by a President of the United States in that process would be unethical and illegal.

And this President doesn't intend to participate in any unethical or illegal pressure on the Nuclear Regulatory Administration [Commission]. That agency, or that commission, will make a decision and will make it on the facts. I think it has taken too long, but that is their responsibility.

As you indicated, I am a firm advocate of many, many more nuclear power-

plants in the United States. In January of 1975, in my State of the Union Message, I said it was mandatory that the United States undertake the construction of some 200 additional nuclear powerplants all over the United States in order to free us from the oil cartels in the Middle East. Unfortunately, that program has been slow in materializing.

There have been some questions raised as to reliability and safety of some of those nuclear powerplants. In order to make certain that powerplants built in the future are safe, are reliable, I have recommended in the budget for fiscal year 1977 substantial additional funds for the Energy Research and Development Agency [Administration], called ERDA.

I think we can still meet the goal of 200 nuclear powerplants throughout the United States and a fair proportion in the State of New Hampshire.

But, I repeat, this President is not going to undertake any unethical or illegal pressure on any independent regulatory agency in the Federal Government. It would be wrong, and I don't intend to do it.

CONCORDE

[3.] Q. Mr. President, Allen Bridges, WKBR Radio.

When Secretary Coleman announced his decision this past week on the Concorde, is that not an indication that your administration is turning its back on environmentalists?

THE PRESIDENT. Not at all. Anyone who has read Secretary Coleman's very sizable opinion granting temporary authority for 16 months under very tightly prescribed restrictions—they cannot land or take off before 7 a.m. in the morning, and they cannot land or take off after 10 o'clock in the evening, and there can only be a very limited number of flights per week. And in the meantime, he reserves to himself the total authority to stop any flights if there are any violations of his particular order.

In addition, he has urged the British and the French and the United States to undertake a comprehensive, coordinated effort to study the problems of the ozone. Many environmentalists have raised theoretical problems as to the impact of Concorde's flying at the speed and at the level as it might affect the ozone.

I think Secretary Coleman has written a very excellent, constructive decision. And if this 16-month trial period is carried out, as I believe it will, it will give us some very important information that will permit us to make a final decision.

And I would like to add a postscript. The very limited number of supersonic aircraft that will be flying the so-called Concorde flights are a minuscule

number of the total number of military supersonic aircraft that are flying around the world everyday.

But nevertheless, we ought to do what Secretary Coleman suggested—16-month trial period, very rigid regulations, very important testing in the process. I think it was an excellent decision. I fully support it.

200-MILE COASTAL LIMIT

[4.] Q. Mr. President, Michael Imsick, UNH Student Press.

In view of the many complications in the establishment of a 200-mile ocean fisheries and economic limit such as free-shipping passage, military access, migratory fish species, the presence of our fishing vessels within 200 miles of other countries and, inevitably, boundary disputes, would you endorse a temporary 200-mile unilateral economic limit until it can be resolved through international agreement?

THE PRESIDENT. This administration has been working very, very hard in the Law of the Sea Conference. We have another meeting of the Law of the Sea Conference in New York in late February or early March.

We now have a draft paper that is substantial progress, which meets in some degree or another all of the problems that you raise. It would be very beneficial for the world as a whole to settle the problems of the 200-mile limit, the ownership of seabeds minerals, the navigation problems, overflight, on-the-surface use of the seas.

If we could settle all of those problems in the Law of the Sea Conference in this meeting that comes up in late February or early March, that would be the best solution. In the meantime, however, I think it is helpful to have some pressure, that if the negotiators dillydally, don't do something affirmatively, then they ought to recognize the United States feels it is vitally important that we do something to protect not only our game fish but our commercial fish.

And therefore, I have said we will give the Law of the Sea Conference through 1976 and some months in 1977 to fish or cut bait. And if they don't, then the United States ought to move unilaterally.

I feel very strongly that way, and I think the negotiators ought to move and stop haggling and find the answers to the problems you are talking about.

PRESIDENTIAL CAMPAIGN PLANS

[5.] Q. Mr. President, David Wysocki, WKXL Radio, Concord.

You have said you feel your strategy of running on your record plus your past experiences here in New Hampshire will be successful here. Well, I am wonder-

ing what if it isn't successful? Will you possibly come back here before the 24th, and what would determine that trip? And also, taking it a step further, suppose you lose in New Hampshire and a couple of the early primaries, will you take the campaign trail more yourself or will you decide that perhaps being President is more important and drop out of the race?

THE PRESIDENT. We are analyzing whether we will or will not come back before the 24th. No final decision has been made. I have been very encouraged by the warm reception, the good results, I think, that have come from this trip, but we have made no final decision. Yet, we have another trip as a possibility.

I do expect to first concentrate on being President of the United States. That is a rather full-time job, and I will make that the most important responsibility I have. But on weekends, a time that I think can be taken from that job and do whatever campaigning seems to be desirable, seems to be necessary—it will be extra, over and above the responsibilities I have as being President.

Let me reiterate something I have said before. I expect to do well in New Hampshire. I think we will do well in some of the other primaries. But I have an old adage that I follow—prepare for the worst because the best will take care of itself.

Now, let me say this. I expect to be a candidate for the nomination of the Republican Party in August in Kansas City. I will be there. And whatever happens will have no impact on that. I love a good fight. I will be there representing the viewpoints and the record that I have, and I think we are going to win before as well as there.

Q. Sir, to follow that up, please. You say you will be preparing for the worst, but suppose you do lose New Hampshire and Massachusetts, and some of the others that will have some bearing, of course, on what your campaigning further on will be. Will you go out and campaign more on your own?

THE PRESIDENT. Since I don't anticipate the dire results you are speculating on, I really haven't made any plans to meet that contingency.

NUCLEAR ENERGY

[6.] Q. Cathy Wolf from the Associated Press.

I would like to follow up on that Seabrook question that was asked earlier. Governor Thomson said he was told many, many months ago that one of your top aides had told him that a decision to go ahead for the plant would be made by September. At that time, the NRC Board was still reviewing the entire proposal. Do you know who that aide was, and was such a promise given?

THE PRESIDENT. I do not know who the aide was that gave that alleged infor-

mation to Governor Thomson. I don't think any aide in the White House would be that knowledgeable to know when and if the Nuclear Regulatory Agency [Commission] would make a decision by a date certain.

There are always factors that come up during the process of hearings and consideration by an independent agency. I understand there have been one or two new developments involved in the Seabrook nuclear powerplant.

Those new developments inevitably cause some delay, because even once the decision is made by the nuclear regulatory agencies, unless their decision is fully backed up by the facts, unless their decision totally complies with the law, they, of course—or their decision is subject to court involvement.

The worst thing would be for a President or his people to unethically or illegally get involved in that process. That would really slow the matter up.

Now, if a Governor wants to get involved, or somebody on the outside, they do it at their own risk. But this President isn't going to do anything illegal or unethical concerning that project. I have strong feelings, as I said a moment ago, that we need 200 more nuclear powerplants, and I hope the Nuclear Regulatory Agency moves as rapidly as it can on all of them. But that is their decision, and I am not going to try to tell them how to do it.

Q. Well, the Governor made this claim a couple of weeks ago. Had you heard about it at all? Had you heard that he said he had been told by an aide?

THE PRESIDENT. I read it in the newspaper, but I don't think that any person on my staff should try to tell the NRC when and how they ought to make the decision.

Q. Did you check out, Mr. President, whether anyone on your staff had had communication with Governor Thomson on this matter?

THE PRESIDENT. Yes, I will try to do that.

ABORTION

[7.] Q. Mr. President, Rick Beyer, WDCR News.

I would like to know, was your recent change of heart on the Supreme Court ruling on abortion basically a political move to improve your position in New Hampshire? And, if not, I would like to know why you feel that a new constitutional amendment of the kind you advocated for State control of abortion regulations is necessary.

THE PRESIDENT. My decision, adverse to the Supreme Court decision, goes back some time. I felt at the time the decision was made that it went too far. I publicly expressed that view at that time. And while I was a Member of the House of Representatives, after that decision I made a decision to oppose the constitutional

amendment that would preclude any Federal executive, legislative or judicial action against abortions. And I felt then—and it is on the record at that time—that I favored an amendment that would permit individual State action.

That record was laid out long before I became Vice President or President, so it has no application whatsoever to the current situation.

Q. Why do you think such an amendment is necessary?

THE PRESIDENT. Well, I think that it would be very helpful in clarifying and giving to the individual State—we have 50 States, and if they want to make a decision one way or another, if you believe in States' rights, I think it is a very proper, very logical conclusion.

PRAYER IN PUBLIC SCHOOLS

[8.] Q. Mr. President, I am Fred Kocher from WMUR-TV in Manchester, New Hampshire.

The Federal District Court in Concord just recently, here in New Hampshire, ruled that a State law here in New Hampshire allowing voluntary prayer in public schools was patently unconstitutional.

My question to you is, do you agree with that kind of court decision, because there are people in this State and in many States that feel that voluntary prayer is a basic constitutional right?

THE PRESIDENT. Some years ago there was a United States Supreme Court decision as to whether or not a woman in Baltimore, as I recollect, had a child who objected to the nondenominational prayer that was conducted in that community.

That Court decision, in effect, said there could be no prayer in public schools in the United States. I read that decision very carefully. I read the dissenting opinion of Justice Potter Stewart very carefully. I subscribe to Justice Potter Stewart's dissenting opinion, and therefore, I disagree with the Supreme Court decision which precludes nondenominational prayers in public schools. I agree with the Supreme Court Justice Potter Stewart, who said the Court was wrong.

So, I regret the Court decision. I agree with the minority, and I think it is most unfortunate that under reasonable limitations—I think it is regrettable that, under reasonable limitations, there can't be nondenominational prayer in public schools.

Q. What course of action would you suggest at this point, let's say, to the Congress or to any group who disagreed like you do?

THE PRESIDENT. The most extreme course of action would be a constitutional amendment. When this matter came up, I was the Republican minority leader

in the House, and Senator Everett Dirksen was the Republican minority leader in the Senate. He was a firm advocate of a constitutional amendment to remedy this situation.

I talked with him many, many times about it, because that was one thing he wanted to do because he felt so strongly about it. In the process of my discussions with him, I subscribed to an amendment of that kind.

FEDERAL AID TO EDUCATION

[9.] Q. Mr. President, Mike D'Antonio from The New Hampshire.

Any cuts in aid to education may make entrance to universities impossible for low- and middle-income people who cannot pay the entire bill without assistance. Will you please comment on that?

THE PRESIDENT. Well, the primary responsibility for the financing of a State university comes from the State itself. These are State universities, and the funding for the faculty, for the facilities should, of course, come as a major responsibility of the State.

Now, the Federal Government does put in a very substantial amount of funding in several ways. One, the Federal Government finances a great deal of research and development in college laboratories. It puts a great deal of money into State and private universities all over the country for basic research, for applied research.

The other approach that the Federal Government does is to give to students who want to attend a university significant financial assistance. In the budget that I recommended for fiscal year 1977, I proposed $1,100 million for the Basic Opportunity Grants program to help students all over the country so that they would have financial resources so they could go to colleges and universities throughout the United States. This program is focused in on the students who are in need.

Now, we have a number of other individually focused programs for the students. We have the guaranteed loan program, and I have to say parenthetically, the repayment rate on those loans has not been very encouraging. But we also have the work-study group, or program, where on many, if not all campuses, the Federal Government pays, as I recall, 90 percent of the pay that goes to students who work on the campus doing jobs related to the maintenance and so forth of the campuses.

This program, when you add it all up as far as the Federal Government is concerned, will be in the range of around $2 billion for students, period. And in addition, we have the grant programs for many, many studies conducted

on behalf of the Federal Government in universities themselves. And we have, I should add, a massive dormitory program for State universities and other universities. I saw a very substantial facility as I drove in to the campus today. I suspect that is a federally financed—although I can't be sure—but it looked like one of the many all over the United States where the Federal Government puts up the money, in effect, for the construction of dormitory facilities in many colleges and universities.

Q. Mr. President, do you have any new programs in the works to help students who are applying to institutions like the University of New Hampshire, where State assistance is low, and perhaps they have been cut out by the recent cuts in education funding? Are there any new things aimed at particularly the low-income and middle-income students?

THE PRESIDENT. I don't think there are any new programs of that kind. Of course, it we get tax reductions for the middle-income wage earner the way I proposed, the middle-income wage earner will have more money to help send his son or daughter to a college or university.

There is one other Federal program that I didn't mention. It is a very substantial one. It is the GI bill, which costs the Federal Government, as I recollect, $3 billion to $4 billion a year to send ex-GI's to colleges and universities so they can complete their training, based on their 36 months entitlement under the Vietnam war program.

FEDERAL INCOME TAX REFORM

[10.] Q. Mr. President, I am Tim Clark from the New Hampshire Network. We have seen reports that Treasury Secretary Simon recently proposed, privately to you, that the Federal income tax system be simplified by doing away with all tax deduction and lowering income tax rates across the board.

First of all, did such a proposal reach your desk? Secondly, what was your response, and if it didn't reach your desk, what would be your response to such a proposal?

THE PRESIDENT. Secretary Simon has talked to me in generalities about a Federal income simplification program. The objective would be to lower income tax rates, but it would take away all or most of the exemptions that are currently in our existing Internal Revenue Code, such as the deduction for contributions to educational institutions, deductions to charitable organizations, and a wide range of other deductions, such as those to the United Fund, to the Red Cross, to the rest. That would be the thrust of the proposal made by Secretary Simon. We had a good discussion about it.

I said I would not embrace it. I thought the better way to proceed would be for him and the Treasury Department to study it and then present to me not something orally, but something on paper so that I could analyze it very concretely and very specifically.

I had some experience with a somewhat comparable proposal that I think President Johnson proposed to the Congress 8 or 9 years ago which, on paper, was a very simple proposal lowering rates but eliminating virtually, if not all, deductions.

I don't think I got any more mail under any program, because every church group, every university, every charitable organization—they didn't want to lose those deductions, because that is how we supply the wherewithal for a great many scholarships, a great many worthy projects to help the poor, to help other people in need.

So, until Secretary Simon comes to me with a concrete proposal that I can analyze the pros and the cons, I am not going to give it the go-ahead sign. If and when that comes, we will make a decision.

Q. Some of the Democratic candidates for President this year are speaking loudly and often about tax reform. If you are not in favor of the Simon proposal, what are your thoughts on reforming the tax system?

THE PRESIDENT. I don't think this proposal to which you refer is the kind of reform that some of the Democratic candidates are talking about. They are talking about a wide variety of many other things.

We have sent up through Secretary Simon some specific reductions or loophole closings. They are in part incorporated in the bill that passed the House of Representatives in the last session that is now before Senator Long's Senate Committee on Finance. Even though that "reform bill" has some things in it we don't approve of, it does have some we recommended.

So, depending on what the Senate does, I will have to make a decision. I would hope that Senator Long's committee in the Senate would make some modifications. If they do, we could embrace a tax reform bill.

ADMINISTRATION POLICIES

[11.] Q. Mr. President, Marc Capobianco, The Dartmouth, student paper of Dartmouth College.

As a Congressman, your voting was never less than 70 percent in support of Nixon's policies. As Vice President, you lobbied for Nixon's programs and staunchly defended him against impeachment. As President you consulted with your predecessor and pardoned him.

How has your administration definitely distinguished itself in its policies from those of the former President?

THE PRESIDENT. Well, I think one very significant difference is that we have different people in the vast majority of major offices in the Cabinet, in regulatory agencies. We have a new team in many of the major areas of policy determination and policy direction—the Cabinet, regulatory agencies, et cetera.

We have followed a very middle-of-the-road to conservative view in economic policy. It has been a policy decided by me. I didn't go back and look at what the former President did, because he didn't have the hard decisions like we had in 1975. If there is a similarity, it is pure happenstance. The decisions I made in 1975 were mine, predicated on the problems that we faced.

Now, in the field of foreign policy, there is an area of similarity. I believe that SALT I was a good agreement. I believe that if we can get a SALT II agreement, it is in the best interest of this country.

Let me just point out some of the things that will happen if we don't get a SALT II agreement. In the first place, Backfire [1] will run free. There won't be any limitations or constraints on it. If we don't get a SALT II agreement, there won't be any definition of a launching weight or throw weight. If we don't get a SALT II, there will be no limitation on launchers or MIRVs after October 1977.

I happen to feel very strongly that SALT I was a good agreement, and it is desirable for a good agreement for SALT II. If that is a similarity you are complaining about, I think it is a similarity that is worthy of support. Where we are similar, fine; where we differ, it is just one of the differences that are likely to take place.

VICE-PRESIDENTIAL RUNNING MATE

[12.] Q. Mr. President, Ron Amadon from WGIR Radio in Manchester. Would you accept Ronald Reagan as your Vice President?

THE PRESIDENT. I said, I guess a month ago, that that was within the realm of possibility. But I also said quite recently, there is a long list of very able United States Senators, present Governors, other public officials, who certainly ought to be considered. Any former Governor, I think, certainly would qualify for consideration.

DEBATES WITH RONALD REAGAN

[13.] Q. If I may follow up on that, sir, would you agree to debate Mr. Reagan during the primary campaign?

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[1] The Soviet Backfire bomber.

THE PRESIDENT. I don't see any real necessity for it. I have a record. I cast 4,000 votes in the House of Representatives in 25 years on Federal issues. I have been President for 18 months. The public knows what my record is. If they want to compare it to the rhetoric or the words of former Governor Reagan on Federal issues, I think that is a very legitimate study for the American people to make, but I don't think a 30-minute or an hour debate is the preferable way or the better way for the public to find out what the facts are.

They can look at my voting record and the way I have acted in the White House for the last 18 months. It is on the record—meeting practical problems in a practical way, not with speeches. And they can compare that record with the Governor's record as to what he says he would do, and that is a very valid comparison. I don't think that an hour's debate would make any significant difference.

NEW HAMPSHIRE PRESIDENTIAL PRIMARY

[14.] Q. Mr. President, Bill Ayedelott, WLTN Radio, Littleton, New Hampshire.

President Ford, this is your second political appearance in New Hampshire in the last 6 months, the first one being this past September on behalf of the candidacy in the special Senate election of Lou Wyman.[2]

At that time, you were supporting him and his record. He was wholeheartedly supporting you and your administration. Yet, in the outcome of that election, he suffered quite a stinging defeat in what is generally a Republican State.

I am wondering whether you feel that, or whether you are just regarding that as a personal loss for him despite your appearance in his behalf, or whether it might be considered a valid indication that quite a number of New Hampshire voters are dissatisfied with your policies?

THE PRESIDENT. I think it proves one thing—that you can't necessarily translate your own record or your own popularity to another candidate. I am not going to speculate on the impact of that appearance where I was very warmly and very generously received by, I think, over 100,000 people in the short span from 9 o'clock in the morning until 9 o'clock at night.

I am not going to speculate whether that warmth and that very generous reception that was given to me in that September day will have an impact on this election or not. I think the only time we can really see is February 24, and I am quite optimistic.

Q. Well, in a follow-up to that, despite that appearance where so many

[2] See 1975 volume, Items 547–549.

people lined the motorcade and so forth, despite—well, perhaps not despite, but up to this time you are coming to New Hampshire, many political experts in this State and also within your own organization are saying that the race with Governor Reagan is going to be right down to the wire, an unusually tight situation for an incumbent executive.

I am wondering, as a politician, as President, from your viewpoint, what is it that Ronald Reagan is saying that seems so attractive to apparently so many New Hampshire voters, and what is your response to that?

THE PRESIDENT. I won't comment on what the former Governor has said that seems, under your analysis, helpful to his campaign. I have a record. We can't say one thing and then do another. We have to deal with reality, and we have. In acting with reality, we have been successful in turning the economy around, being successful in foreign policy.

When the chips are down, I think the people will want a proven quality rather than one who hasn't had those hard decisions to make or those difficult actions to take. I will just wait until February 24.

CAMPAIGN ISSUES

[15.] Q. Jerry Vaillancourt, WFEA in Manchester.

Mr. President, a number of supporters of yours, both locally and from across the country, have come to New Hampshire to criticize Ronald Reagan on such topics as his proposed $90 billion Federal budget reduction plan, his stands on the equal rights amendment, the status of cities in California when he was Governor. But the campaign between the two of you has been rather squeaky clean, if I may say.

Do we have any reason to assume that what the supporters of your candidacy here in New Hampshire say against Ronald Reagan are merely echoing what you really believe or what you would like to say?

THE PRESIDENT. I don't think you can get into a political debate and have it at a right level if you indulge in personalities. I certainly never have, and I never will. I hope that the people that have represented me or been interested in my candidacy have asked factual questions, have raised legitimate factual issues. There are plenty that ought to be raised.

I have often wondered over my experience in politics—and I ran 13 times for reelection, or 12 times for reelection, once against an incumbent—and I always believed, and I believe today that when you apply for a job, your prospective employer—in this case, the voters—ought to look at your record. What is wrong

with that? When a person applies for a job—and in this case it is the voters in New Hampshire, and the voters in 49 other States—those prospective employers ought to look at your qualifications.

My qualifications are on the record, and I think it is a very legitimate experience for the voters here, as well as elsewhere, to see what the record is. Every employer does that, and in New Hampshire you have thousands and thousands of prospective employers. I think it is a very proper thing. Look at the factual record.

Q. What I am trying to drive at—the people who are asking the questions are not the voters, not the prospective employers, but your supporters, your employees, you might say. What the things your supporters are saying against Mr. Reagan—are they yours?

THE PRESIDENT. I don't think there has been any serious questioning by them. I understand a number of the New Hampshire State legislators have raised most of the questions about the $90 billion proposal. That is what I understand. The thrust has come concerning that proposal because those State legislators—if they don't get the money from the Federal Government for these many programs—they either have to cut out the services to the people of New Hampshire or raise New Hampshire's taxes. And I think those are very legitimate questions by responsible State legislators.

ENERGY RESEARCH AND CONSERVATION

[16.] Q. Rolene Chamberlin, University of New Hampshire radio station WUNH.

Mr. President, in your proposed 1977 budget, why have you given such a low priority to solar energy and energy conservation, allotting only $91 million for energy conservation out of a $1,975 million ERDA budget?

THE PRESIDENT. Well I am very glad you brought that question up. Let's take solar energy to begin with. I may be a million dollars or so off, but in the current fiscal year for solar energy research, Government-wide, it is about $84 million.

I increased it in the next budget by 35 percent, something over $120 million. I personally disregarded the recommendations of some of the people in the administration who wanted to spend less money for solar energy, and I said no.

And I personally increased in at least three cases, extra research and development money for solar energy. It is the biggest solar energy program in research and development in the history of the United States.

Now, I don't recall precisely the figures for conservation, but on energy

research increases, across the board, we increased them—or I increased them, with the submission of my budget—by 30 percent. That is not bad—geothermal, exotic fuels, solar, et cetera. So, we actually went beyond what many of the experts told me we ought to do in research and development—in fossil fuels, across the spectrum.

So, for research, for the new things that can be done to produce more energy other than gas and oil, which in the main we get from foreign sources, we have put forth the biggest research and development budget in the history of the country for energy progress.

Q. But are you still giving more priority to nuclear energy instead of something like recycling?

THE PRESIDENT. We, quite frankly, did put more money in for nuclear research and development, for two reasons. We want to make any nuclear reactors in the future safer, and we want to make them more reliable, and Government research and development is the best way to do it. That is why we put the extra money in for R. & D. for nuclear experiments. I think it is a good investment.

FORMER PRESIDENT NIXON'S VISIT TO CHINA; DESIGNATION OF ACTING CHINESE PREMIER

[17.] Q. Mr. President, my name is Stewart Powell, and I am with UPI.

Can you tell us, please, what are the domestic and international consequences of the change of power in China, and whether you are upset by Nixon's visit there and, thirdly, whether you plan to consult with him personally or have any member of your administration consult with him when he returns?

THE PRESIDENT. President Nixon, former President Nixon, is going to China as a private citizen. He was invited by the Government of the People's Republic of China. He called me Thursday or Friday, I guess Thursday, notified me of his invitation from the Chinese and his acceptance. I am delighted that his health is such that he can go.

I asked him to extend to Chairman Mao and the other leaders my very best. We talked generally about his trip in 1972. There is no commitment on his part to report to me or on my part to ask him to report to me. We will wait and see what happens on his return.

Some 10,000 Americans have visited the People's Republic of China in the last 3 or 4 years. I think it is wholesome and healthy that private citizens undertake these trips.

I can understand the Chinese. He was very instrumental in helping to open up the relations between our country and their country. There is no political ramification at all. He is going as a private citizen, at their invitation.

I just learned late last night of the new acting Premier in the People's Republic. I have not had an opportunity thus far to get any full report from the experts in the State Department and the intelligence community. I think it is premature for me to make any comment until I have had the full benefits of the experts in this area.

ELLIOT RICHARDSON

[18.] Q. Mr. President, Bob Murray, Foster's Daily Democrat.

Other than Secretary of State Henry Kissinger, probably the hardest person to keep track of in the Federal Government has been Elliot Richardson. Under the Nixon-Ford administrations, he has been Ambassador to Great Britain, Secretary of HEW, Defense, and now Commerce.

My question, sir, is, are there specific qualifications for these positions, and if so, has Elliot Richardson—does he and has he had the specific qualifications? And I would also like to know how high up he is on your Vice-Presidential candidate list?

THE PRESIDENT. Obviously Secretary of Commerce Richardson has many, many qualifications. Before he came to the Federal Government, he was attorney general for the State of Massachusetts. He was also Lieutenant Governor for Massachusetts.

He had long had an interest in serving in the Federal Government. He had many broad experiences in private life as an attorney. He is a very well educated, a very able, dedicated person. And the fact that I had confidence in him as our Ambassador to Great Britain to ask him to come back to be Secretary of Commerce indicates my strong feeling that he is an outstanding public servant.

I mentioned his name the other day among 10 or maybe more prospective Vice-Presidential candidates. I think that is a clear indication of my additional feeling concerning his capabilities. But to list them or to put him in a certain place on the ladder, I think, is premature as far as Vice President is concerned.

Q. Mr. Ford, are there specific qualifications for these top Government positions, and if there are, is Mr. Richardson that versatile to hold these different positions in such a short period of time?

THE PRESIDENT. One of the very excellent qualifications he has is excellent administrative responsibility. He has always been known as an outstanding administrator, to get an organization working smoothly with a minimum of

redtape, with the best service to the customers, so to speak, the American people. I think everybody would say that he has been and is today an outstanding administrator.

NATURAL GAS

[19.] Q. Sue Roman, WTSN Radio.

Mr. Zarb [3] was recently in New Hampshire lobbying for the deregulation of interstate natural gas prices, but your critics have charged that this will skyrocket prices, and they also say this is inconsistent with the continued regulation of gasoline and oil prices. How do you defend this position?

THE PRESIDENT. The answer is very clear. You either deregulate natural gas and get more American natural gas, or we buy more foreign oil. It is just that simple.

Now, I happen to think it's better to develop our own resources. And in the long run, you won't pay significantly more and will not be at the whim and fancy of a foreign oil cartel.

Under the present circumstances, our domestic oil production is going down. Under present circumstances with regulation of natural gas, domestic gas production is going down. And if we don't deregulate natural gas, there will be in a relatively short period of time virtually no domestic natural gas, which means we have to buy more and more foreign oil.

I would rather use our natural gas rather than Arab foreign oil. And, therefore, I strongly feel that the deregulation of American natural gas is in the best interests of this country.

SOVIET INTELLIGENCE ACTIVITIES

[20.] Q. Douglas Cope, WHEB Radio.

Mr. President, there have been reports that the Soviet Union is using radiation listening devices in our embassy in Moscow. How will the presence of these listening devices affect Soviet-American détente?

THE PRESIDENT. I don't think that is a matter that ought to be discussed at this stage. I have heard rumors concerning it, but I don't think it is a matter that ought to be discussed at this point.

Q. Will Mr. Kissinger be briefing you on this subject?

THE PRESIDENT. The proper authorities in the Federal Government will.

If it is true, it's a very serious situation.

REPORTER. Thank you, Mr. President.

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[3] Frank G. Zarb, Administrator of the Federal Energy Administration.

THE PRESIDENT. Thank you all very, very much. It's nice to be here. Have a good day—the rest of it.

NOTE: The President's twenty-fifth news conference began at 4:01 p.m. in the Strafford Room of the Memorial Union Building at the University of New Hampshire. It was broadcast live on regional television and radio.

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Remarks and a Question-and-Answer Session at the University of New Hampshire in Durham. *February 8, 1976*

President Mills, Mrs. Mills, David Farnham, members of the university system board of trustees, members of the faculty, students, ladies and gentlemen:

It really is a great pleasure to be here with you at this very historic and very exceptional University of New Hampshire.

Now, I know that sounds pretty much like a traditional greeting, but believe me, any university that can take a distinguished faculty, a dynamic student body, a standard of academic excellence, and then combine it with a meeting place called the Mub Pub, and one of the hottest hockey teams in America, the Wildcats—it really is good to be here.

Let me for a moment make some remarks before responding to your questions and raise a question or two and, hopefully, give an answer, too.

ADMINISTRATION POLICIES

The first is, how can we help to create an economic climate so that you can use your education in a rewarding job?

Secondly, how can we keep the peace so that you can stay on the job? The most important function of your education is to equip you for a satisfying job so that you can enjoy what life has to offer to you in the future.

My new budget was designed to bolster our economy by generating new jobs. In this budget, I have proposed an 11-percent increase in federally funded research and development. This would bring Government R. & D. funds to a record $25 billion in a 12-month period, with substantial increases, for example, in energy—solar, geothermal research, areas which are vitally important to your health—cancer, arthritis, and the rest.

This is a program that is not only applicable to applied research but equally important in the field of basic research. As I indicated, this research helps to not only give us a better future but to sustain our economy by creating an en-

vironment of innovation that will provide excellent private sector vocational opportunities for all of you after your graduation.

I want you to have real, permanent, challenging, satisfying jobs rather than temporary, dead end, make-work jobs provided by the Government.

The new figures announced in Washington on Friday show that genuine jobs are being generated by the demands of our economy, not by the commands of the Government.

The employment figures for January show that 800,000 more jobs were created last month. Ninety-six percent of the jobs lost during the recession have now been recovered, and we are going to do better. The pessimists were proven entirely wrong.

Then we must ask ourselves this question: How can we ensure that your hopes and your jobs will not be threatened by international events? Your lives are inseparably linked with the stability of the world. In a nuclear age there can be no lasting accomplishments without a lasting peace.

Here, too, I think we can be proud of our achievements. We are now at peace. Strengthening this peace remains our primary objective, and we will keep it as such.

Our principal alliances with the industrial democracies of the Atlantic community and Japan have never been stronger. We are improving relations with the world's most populous nation, the People's Republic of China. Our many traditional friendships throughout the globe continue in the world.

A limitation on strategic arms to curb the nuclear arms race with the Soviet Union is being sought on a mutually beneficial basis. Such a treaty would give hope to all humanity that despite different ideologies, great nations can interact in good faith for peace. In our relations with the Soviet Union, we are working with firmness and frankness to consult rather than to confront.

To deter war and to preserve our national security, we maintain the world's most efficient, alert, and best equipped armed forces. They are all volunteers. And we intend to keep it that way. And they serve in a very high state of readiness for the benefit of all of us. We remain the world's greatest democracy, symbolizing human aspirations for liberty as well as for progress.

The time has come to stop downgrading ourselves as a nation. We must, of course, learn from our past mistakes. It is our duty to see that we do not repeat past errors, but it is our duty to look to the future and provide an enlightened world. Our positive accomplishments far, far outweigh our setbacks.

In the past year, we demonstrated the ability to experience severe difficulties, to emerge then even stronger than before. We did so because of America's vigor and America's determination.

We believe in ourselves and in our traditional values. Self-confidence in America is vital to our national security and survival. Acrimony and antagonism left over from another day only undermine our capacity to face the future with better results. Blind criticism is no better than blind faith. The President, acting in consultation with the Congress, must be able to maintain our world status from a position of strength. This is impossible unless we can speak to the rest of the world with one voice. American foreign policy is motivated by the will of the American people.

Americans have an enlightened and determined spirit which combines firmness with frankness. It is in the spirit of our past, and it will remain the spirit of our future.

I thank you, and now some questions.

QUESTIONS

NATIONAL HEALTH INSURANCE

[1.] Q. President Ford, my name is Ann Maloney. Do you plan to support health care insurance?

THE PRESIDENT. The question is, do I plan to support national health care insurance?

Q. Yes.

THE PRESIDENT. I do not believe that we can, at the present time, embark on a broad Government-organized, financed, and directed health insurance program. I believe, however, that we should immediately, as I indicated in the State of the Union Address, move to what is best known as catastrophic insurance for those who have extended illnesses, whose resources are drained, and who have no means whatsoever of adequate health care, doctor care, hospital or nursing home care. I think we must take first things first, make that program work and move from there after we are sure that program is operating properly.

GUN CONTROL LEGISLATION

[2.] Q. Mr. President, my name is John Vose, and my question concerns gun control. What is your opinion on the control of all handguns, and how do

you feel about the passing of a law which would ban entirely the sale, manufacture, and possession of the so-called Saturday night specials?

THE PRESIDENT. My basic philosophy is that we should make it as difficult as possible for the person with a criminal intent to have possession so he can use a handgun. You can do this in a number of ways.

Number one, I think we should stiffen the penalties for those individuals who commit a crime while in the possession of a handgun. This includes, for those type of crimes, mandatory criminal prison sentences.

In addition, I think we should extend the restrictions on the availability of so-called Saturday night specials. The Congress passed about 4 years ago a law prohibiting the importation of Saturday night specials. That has not been effective, because the importers send the parts over and Americans put them together and then sell them.

I have recommended to the Congress—and I hope it passes it—a strict limitation on the sale of so-called cheap Saturday night specials. I think that is a step in the right direction.

In addition, in the budget for fiscal 1977, I recommended an additional 500 employees for the Alcohol, Tobacco, and Firearms Division [Bureau] of the Department of the Treasury, so that they can move into major metropolitan areas of high crime and incidents and really go after the trading of handguns in those areas where the danger is the greatest. I am categorically opposed to the registration of guns and/or the individuals who own handguns.

MARIJUANA

[3.] Q. Mr. President, my name is Jeffrey Ventura, and I was wondering how you feel about the legalization of marijuana?

THE PRESIDENT. There is a great controversy in the scientific world as to whether or not the use to a substantial degree of marijuana is good or bad for a person's health. Until there is a higher degree of unanimity among the scientific world that marijuana is not harmful to the individual, I do not think we should decriminalize marijuana.

I think that we should do as the White House Domestic Council review recommended, that we should concentrate our efforts at the Federal level on hard drugs, the traffickers and the others.

Q. Thank you.

THE PRESIDENT. But, I reemphasize I do not believe in the decriminalization of marijuana under the present circumstances.

NUCLEAR POWERPLANTS

[4.] Q. Mr. Ford, my name is David Mason from Manchester. I am a member of the New Hampshire People's Bicentennial Commission. They are planning to build a nuclear powerplant in Seabrook, and the people around here don't want it. Recently, three officials from GE, who have been working—they comprised 54 years of research and technology on the nuclear plants—have stated nuclear plants are unsafe. Mr. Reagan told me Thursday night that he wants a moratorium on them. How do you stand on nuclear powerplants? Be careful.

THE PRESIDENT. The safety record of nuclear plants to date has been good. It is not good enough, and in the budget that I submitted to the Congress in January, there includes a substantial increase in research and development funds to improve the safety and the reliability of nuclear plants.

It is my judgment that we can do better in safety and in reliability, and that is why there has been a substantial increase in the budget that I suggested. In the long run, I am confident that our scientific community can improve so that we virtually eliminate any problems whatsoever in this area so that we can proceed with the utilization of the atom for peaceful purposes.

There is no reason in the world why we should not take this capability and utilize it so we don't have to be reliant on Arab oil for the movement of our society.

ENERGY RESEARCH AND DEVELOPMENT

[5.] Q. It is my feelings that nuclear power is being put in for profit. I think we should get tons of more research into alternatives like hydropower, solar power——

THE PRESIDENT. Let's be specific; let's not talk in generalities. Again, if I might refer to the budget that I submitted to the Congress this year, I had a 35-percent increase in the funding for solar research, and we had a substantial increase in the funding and research and development for geothermal energy development. We have increased very substantially the research and development funds in the fossil fuels area. We are doing our very best to find, develop, and utilize these various exotic fuels.

But I don't think we can totally ignore the atom when we can, through sound research, improve safety and reliability. It is the best insurance right now in the next 5 to 10 years for escaping complete dependence on Arab oil, and America shouldn't be put in that position.

ANGOLA

[6.] Q. Mr. President, first of all, I would like to apologize for some of the people in our audience.

THE PRESIDENT. Thank you very much, sir.

Q. About the situation in Angola, if that had developed into another Vietnam, would you have sent aid in the form of manpower and money over there?

THE PRESIDENT. I want to be very careful how I answer this, so will you repeat the question again, please?

Q. If Angola had developed into a situation such that was in Vietnam, would you have sent manpower and money over?

THE PRESIDENT. There was no possibility that this country would, in any way whatsoever, get involved with U.S. manpower in Angola.

ANTITRUST POLICY

[7.] Q. Mr. President, my name is Dee Dee Blair, and I'm with the New Hampshire People's Bicentennial Commission. Last night I was part of a very peaceful, very well-organized demonstration in Nashua, where you were speaking in front of the Chamber of Commerce. We were restricted to a parking lot a mile away from where you were speaking and kept there by the Secret Service. I believe this is an infringement of my rights and the rights of 500 other demonstrators, and I would like a comment on that, sir.

THE PRESIDENT. You know, I have always learned—and I learned it in the hard way—that you can disagree without being disagreeable.

Q. I don't think I was being disagreeable at all.

THE PRESIDENT. I respect your right to ask a question, whether we agree or disagree, and I think in deference, good politeness dictates that everybody listen, whether they agree with your question or my answer. So, would you ask the question?

Q. What, in 25 years of public service, have you ever done to challenge the power and influence of multinational corporations and big business?

THE PRESIDENT. Let me say that I have an Attorney General by the name of Mr. Edward Levi, who is very firm and a very forthright lawyer who has been very tough on major corporations in antitrust areas, including multinationals, and he asked for additional manpower to carry out that responsibility. And in the budget that I submitted, we gave him additional money and additional manpower, and I think you will find that he will carry out his responsibilities as Attorney General under the Constitution, under the law, against anyone who violates our antitrust laws, including multinationals.

Q. If I could make one more comment, and then I will sit down and let everyone else ask their questions. We took a poll of student opinion; 1,520 students answered the poll. In one question it said some people say that public officials in Washington tend to dominate and determine the actions of America's major corporations. Others say that America's major corporations tend to dominate and determine the actions of our public officials in Washington. The results of the 1,520 students polled, 83 percent think that corporations control Washington. Thank you.

THE PRESIDENT. I have known a great many Democrats as well as Republicans in the Congress, and I have known six Presidents, and I think the comment to the effect that corporations control those individuals is completely and totally false.

EMPLOYMENT OPPORTUNITIES

[8.] Q. President Ford, my name is Dan Smith. I am also with the People's Bicentennial Commission. Recently you have been quoting some of the most important founders of this county—Patrick Henry last week, Thomas Jefferson just at your State of the Union Addesss—you have talked a lot about common sense.

The People's Bicentennial Commission has been meeting all candidates, peacefully. There are many people here who are not with us who are expressing their opinion as well. The American democracy is the most incredible experiment in a political system that this Earth has had. We are very concerned that that democracy is being subverted, it is being undermined, and is being dictated to by the giant corporations of this country.

Now, for example, Chase Manhattan Bank estimates—Chase Manhattan Bank says that 17 percent of the people in this room right now will be unemployed permanently in 10 years because the multinationals are exporting capital and jobs and technology from this country. What will you do to prevent the multinationals from subverting our jobs, the students in this room and the people of New Hampshire?

THE PRESIDENT. Reliable statisticians tell us that we have to create approximately 2,100,000 new jobs for younger people entering the labor market every year.

This is possible if we carry out economic plans and programs that give greater opportunity to the free sector, or the private sector of our society. Five out of six jobs in this country today are provided not by government, but by the private sector. That is where we have to provide by law and by regulation, by

incentive, the opportunity to create these extra jobs—2,100,000 every year, and that is what we are seeking to do.

Now, the other course of action is to restrict the private sector and provide government jobs. I don't think that works. It has never worked in any country that has ever tried it and where you are able to continue freedom as far as individuals are concerned. I am confident that our society, our form of government which has done more for more people in the history of the world in 200 years, can do the same thing in the future. And I am an optimist about it, and I think we are on the way to achieve it.

CYPRUS

[9.] Q. Mr. President, I first apologize for my imperfect English, but I hope we are not going to be able to lose much in the translation. A very interesting thing happened which I want everybody to know. When we were waiting for you to go to the Mub, the State police said, "Would you please move behind the ropes?" I want the people to know that that is something everybody should be thankful for, because a lot of places police do not usually say "please." All right.

My question, however, is a more sensitive issue, Sections 505(b) and 505(d) of the Foreign Assistance Act of 1961.

THE PRESIDENT. What act?

Q. The Foreign Assistance Act of 1961 states that military aid is only given to foreign countries if, and only if, it is to be used for defensive and peaceful purposes. In view of that, why is your administration in constant support of the military aid to Turkey, when Turkey, in using American arms to invade Cyprus, had violated the American law, as you stated; to this day does not obey any of the United Nations' resolutions; and further, has made no minor, let alone major, concessions in solving their problem of the Cyprus refugees. Please address that.

THE PRESIDENT. In the first place, in December the Congress passed an exception to that provision to which you refer.

Q. The exception is overruled, I think.

THE PRESIDENT. Isn't that right? But I think to understand the very complicated and very controversial problem involving Cyprus, we have to go back, not just in recent history, but back to what started the conflict in Cyprus and the tragic results that have taken place. I am sure you are familiar with the fact that the previous Government in Greece stimulated an attempt to assassinate [Arch]bishop Makarios, and they sought to move in Greek National Guard

forces to strengthen the Cyprus Greek National Guard forces at the time they sought to assassinate Makarios and put in a man by the name of Sampson.

The attempted assassination of Makarios failed, thank goodness. But at the same time, the Greek colonels government sought to move in and take over Cyprus. That precipitated a counteraction by the Turkish Government, and they moved in with very substantial forces, up to some 40,000, and the net result has been the Turks, having been stimulated by what the Greek colonels government did, is now virtually in possession and control of Cyprus.

It's a bad situation. We have roughly 250,000 Greek Cypriot refugees. We are having a great deal of difficulty trying to get the refugees properly taken care of, to get a resolution of the dividing line between the portion that would go to Greece or the Greek Cypriots and the Turkish Cypriots. I can only tell you this, that this Government, our Government, has been working with the Greeks and the Turks. I have met twice with Prime Minister Demirel of Turkey, and I have met twice with Prime Minister Caramanlis of Greece. Secretary Kissinger has worked with their foreign secretaries.

I believe a very crucial meeting is being held February 17 where Clerides and Denktash, the two from the Greek and the Turkish negotiators, are going to be, hopefully, resolving the problems of the dividing line, the refugees, and the kind of government. It is vitally important for Greeks and Turks and the whole Mediterranean area for a solution to come from a very bad situation that was precipitated in the first place by a bad Greek Government under the colonels.

Q. President Ford, if I may add, that military government, which all the Greeks despise, was aided by the United States Government. That is perhaps my question, perhaps that is the heart of my question. Why all this foreign aid support to essentially corrupted governments which can escalate to a global destruction of the world?

THE PRESIDENT. I think you have to admit that the Turkish Government does have a legally elected Parliament, and the Prime Minister, who is the head of his party, Mr. Demirel, will probably have some elections sometime in 1976, and his competitor is a man named Ecevit, and the small party is headed by a man named Erbakan.

Now, they do have a free election in Turkey, so it is not a dictatorship, military or otherwise.

Q. I was referring to the dictatorship in Greece in 1967, sir.

THE PRESIDENT. The Caramanlis government in Greece today is a freely elected government.

Q. I was simply referring to the fact that when Greece started the coups against Makarios, it was a military dictatorship supported 95 percent by the United States Government, something which people do not appreciate.

Thank you for your time and consideration, sir.

U.S. ASSISTANCE TO SOUTH AFRICA

[10.] Q. Mr. President, I am a student from Africa, and I understand, in the past, American foreign aid to South Africa was stopped to demonstrate the good will of a justified government. Right now, I think America is deciding whether they should open that aid again. If this is true, why is America deciding to reopen the foreign aid to South Africa if the South African Government still remains as it was before?

THE PRESIDENT. We have no foreign aid program for South Africa, none whatsoever. We have no intention of instituting a foreign aid program for South Africa, none whatsoever.

Q. My next question is, do you understand the situation in South Africa?

THE PRESIDENT. Excuse me; I didn't hear you.

Q. If the American people understand the situation in South Africa, is America doing anything to discourage that or stop that situation?

THE PRESIDENT. I don't think the United States should involve itself in any internal situation in another country.

U.S. ASSISTANCE TO MIDDLE EAST COUNTRIES

[11.] Q. During the Egyptian-Israeli war——

THE PRESIDENT. Pardon?

Q. During the Israeli-Egyptian war, the Middle East war, the war in the Middle East, during that time a million dollars in the form of military aid, in the form of ammunition, was given to Israel, I think, and during that period there was a drought in Africa. That, I think, is away from Americans, private dollars to protect——

THE PRESIDENT. If I understand your comment or question, it is true that the United States has given substantial military and economic aid to the legitimate government of Israel and that has been for the purpose of trying to create stability in that part of the world.

At the same time, we have sought over the years to help Jordan. We have a new and far better relationship with Egypt, which is helping us keep some stability in that very volatile area of the world.

If I understood your question, I have sought to answer it.

Q. All right. In other words, why is military aid given to other countries? If you give military aid, to my understanding it means go fight and kill each other. That is what it basically means.

THE PRESIDENT. I think that is a very idealistic view. But if you look at the Middle East—let's be very categorical and frank—if you look at the Middle East, we have had substantial military hardware given and/or sold by the Soviet Union to Syria. And they did the same thing for Egypt until Egypt learned that their better future rested with us rather than with the Soviet Union. You have to live in the real world, not in some world that you would like, but it isn't that way.

So, as much as I would like to not send any military hardware to any of these countries, if they ask it in their self-defense, and we don't get American military forces involved, and they think it is in their national interests, and they are willing to pay for it. I think we have to at least consider it and, in a number of cases, be forthcoming.

U.S.-CUBAN RELATIONS

[12.] Q. President Ford, Catherine Miner. My question involves Angola. How is the Cuban involvement in Angola going to affect the future economic relations with the United States?

THE PRESIDENT. The 10,000 to 12,000 Communist-oriented Cuban mercenaries that are an expeditionary force, for all intents and purposes, have stopped any possibility of U.S.-Cuban relations improving, period.

NAVY SHIPBUILDING PROGRAM

[13.] Q. Mr. President, you talked in your speech about a strong military posture for the country, and yet it has become recently very evident that the Russians have been increasing their naval power at a much faster rate than we have—the incidents in Somalia, with the new large naval bases on the coast and things like that. Is there any consideration being given right now to revamping our Navy and getting rid of some of the older ships and bringing up the technology level?

THE PRESIDENT. There certainly is. We have had a new and expanded Navy shipbuilding program for 2 years, and the third year is included in the budget that I submitted. And in that budget we are recommending to the Congress $6,900 million in spending for 17 new capital ships.

It is very true in the last 5 years the Soviet Union has moved forward unbelievably in the building of a new, major naval force for worldwide operations. At the same time, the United States, during the Vietnam war, was neglecting

the modernization of its naval force. We did a lot of repair and rehabilitation, but few, if any, new capital ships were started.

But 3 years ago we came to the conclusion that we were, in a short span of time, going to be outdistanced by the Soviet Union on the seven seas. So, the Navy shipbuilding program we have at the present time, both in submarines and carriers and frigates and the rest of them, if we keep the pressure on, will give us high quality ships, very versatile, and a sufficient Navy to meet the challenge of the Soviet Union or any other naval force.

Q. The shipbuilding industry and the electronics industry that goes along with it is very important for Massachusetts, and Senator Jackson recently made some remarks that Massachusetts may have been punished, so to speak, by the Republican administration, since it was the only State that didn't vote with the rest of the Nation. How do you respond to that remark?

THE PRESIDENT. I think, if you will look at the contracts that have gone to the shipyards that are in operation on the east coast, we've got a fine naval shipyard here at Portsmouth—which we are not going to close, incidentally—and we've got another private yard—I have forgotten the name of it here—but then all along the eastern seaboard we have very fine Navy, as well as private, yards, and any allegation to the effect that I or my predecessor said you can't award a contract to a Massachusetts shipyard just doesn't know what he is talking about.

U.S. ASSISTANCE TO ISRAEL

[14.] Q. President Ford, I would like to know, can you tell me what your Government is doing to increase my support of Israel?

THE PRESIDENT. Let me be very specific about that. At the time of the Yom Kippur war in 1973, when the United States supplied tremendous amounts of military hardware, tanks taken from our own forces in Western Germany, and other equipment sent from the United States to Israel to replace the losses they have, in the period of 18 months the United States spent $3,200 million on behalf of Israel's military and economic assistance.

In the budget that I submitted for the current fiscal year, that is in this 12-month period, I recommended $2 billion in additional military assistance with a forgiveness feature of 50 percent, so they got half of it for nothing and, in addition, about $750 million in what we call defense support.

So, for this 12-month period that began July 1, last July 1, I recommended $2,750 million for the State of Israel in military and economic assistance. And for the next fiscal year coming up, I recommended $1 billion in military assistance and around $750 million in economic aid and assistance. They got more

economic, more military assistance than any other country supplied by the United States.

ENVIRONMENTAL POLICIES

[15.] Q. There has been an increasing problem to apply a price tag to the environment. By this I mean how much should you charge a factory to pollute waters, foul airs, and dispose of wastes? Our quality of these environmental necessities is deteriorating. How do you propose to immediately deal with this threatening problem on the Federal level?

THE PRESIDENT. I think the Federal Government has to make a major effort to help local communities with waste water treatment plants. And let me give you the facts concerning what the Federal Government is doing. In the budget that is on the Hill now for the next fiscal year, we are going to spend $6,500 million to help local communities build modern waste water treatment plants. That is a 65-percent increase over the current fiscal year and a 90-percent increase over the past fiscal year. This is a major effort, and it is beginning to pay dividends.

I don't know if you are familiar with the situation in Lake Erie. Lake Erie was rapidly becoming a dead body of water. Because of the things that have been done—and they all aren't done yet—Lake Erie has turned and is now becoming again an inland lake that can and will be swimmable, will be a very viable body of water in our economic and overall society in the United States.

We are making a massive effort in this regard, and we are tightening the screws—I hope in a responsible way—on the private sector. But you can't make up 100 years of neglect in 3 or 4. It takes a little time, and we are taking the right steps.

WELFARE SYSTEM

[16.] Q. Good evening, President Ford. My name is Brian Shaughnesy, and I am from Buffalo, New York, which is right on Lake Erie, so I know it is getting a lot cleaner, and in fact, this summer we were even able to swim there, so he is telling the truth. President Ford, what concerns me today is the Federal welfare system that just last week you seemed to categorize it as being in a mess. Could you kind of tell us what we can expect in the future?

THE PRESIDENT. Unfortunately, our Federal welfare system has grown like Topsy. It has, over the period of years, come from the welfare system that developed in the Depression. And there hasn't been any really honestly fashioned program that coordinates all of the programs where people who are disadvantaged get what they need.

Now, at the present time, there are too many people who are getting welfare, food stamps, who don't need them. On the other hand, there are many of the needy who are being shortchanged. But the fault is that we've got so many programs that are proliferated all over the Federal lot. And what we are going to have to come to at some point—it didn't seem feasible to try and do it this year in a national election year—to have one single plan.

And let me give you an idea of what it might be, but we haven't finalized it. Back in 1971 there was a plan put together called a Family Assistance Plan, which did away with the traditional welfare. It provided a work incentive. I thought it was a good plan. I was in the House of Representatives, and I voted for it. Unfortunately, the United States Senate wouldn't go along.

I think we can build from that structure, get rid of all of the programs we have, and start with a single plan that will give to the needy what they deserve and need and cut out the ones that are the chiselers in the overall.

INDIA

[17.] Q. Mr. President, I respect you and I believe in your policies and I wish you good luck in the election. But my question is that last year, in June, Mrs. Gandhi took away the fundamental rights of the people and put all the opposition leaders in jail. But your government, or you yourself, didn't do anything to save the people in India. I know that your answer will be that we don't want to interfere in the internal matters of the other governments. But isn't it the responsibility of the United States, who is the biggest democracy in the world, to save the democracy?

THE PRESIDENT. I had the temerity to make a comment somewhat critical of the developments of which you speak in India, for which I was castigated by some very prominent public officials in India. And they told me that it was none of our business what happened or transpired internally in India.

It is not good policy for one country to interject itself in the internal affairs of another. I would simply answer the question you raise by saying, out of 155 nations in the world today, there are less than 38 that have one form of democracy or other. That is a very small percentage, and some in that group of 38, really, we wouldn't categorize as democracies.

Now, what we have to do is by persuasion and proper diplomatic representations do what we can to help the restoration of democracy in any of the countries. And what we are trying to do is handle it in a proper way. I deplore the loss of democracy anyplace, and we will do what we can in a proper way to seek its restoration.

Q. Do you plan to support Mrs. Gandhi as she is doing now? As you just said, we want to support the government as Mrs. Gandhi is doing now. Do you think it is good on your part to support Mrs. Gandhi's government there?

THE PRESIDENT. I must admit I did not hear the key word, and I would like to make sure I do before I answer.

Q. Do you think it is good to support Mrs. Gandhi's government in India when she is putting everybody in jail and imposing her own ambitions or what she wants?

THE PRESIDENT. We simply recognize the Government of India. We neither support nor condemn it. It is a typical diplomatic relationship that we have with countries like the Soviet Union, who has an ideology different than ours. It is purely a pragmatic, diplomatic recognition. That does not indicate that we support the things that have happened internally, not at all.

U.S. INTELLIGENCE AGENCIES

[18.] Q. I have one last comment for you. I would like to also apologize for some of the people here, and I would like to remind them that while they will assert their right in the United States of America to have their freedom of speech, I also have a right to listen on an intelligent basis without interruption.

My one last comment is, as far as the CIA goes, I would like to know if you intend to get to the bottom of the leak which is taking place in the congressional hearings that I believe it was—I am not sure how long ago—but published the entire findings of the CIA and FBI reports? Because I definitely feel that the CIA and the FBI are organizations which should be preserved, and I would like to know if you are going to get to the bottom of it.

THE PRESIDENT. The United States needs, must have, for our national security in peace and/or in war, a very top-grade, the very finest intelligence community, whether it is the CIA or any one of the other organizations.

Q. I want to thank you.

THE PRESIDENT. But I want to add that there should be careful control to make certain and positive that they concentrate on their constitutionally, legislatively assigned responsibilities, and they should not, in the process, violate the individual rights of any citizen. They can do it, and they will do it.

BIG BUSINESS

[19.] Q. My name is Cathy McLaughlin. I am from the People's Bicentennial Commission Common Sense Campaign.

I would like a simple yes or no answer, please, if that is possible. According to a recent Hart survey, it showed a majority of the American people to believe that there should be a major political movement to challenge the influence of big business. Do you agree or disagree?

THE PRESIDENT. I am not going to defend——

Q. Yes or no?

THE PRESIDENT. ——or criticize big business.

Q. Agree or disagree, Mr. President?

THE PRESIDENT. I was about to say that a question of that kind deserves more than a yes or no answer.

PRESIDENTIAL CLEMENCY PROGRAM

[20.] Q. I have been informed by the gentleman sitting next to me that this will be the last question.

There seems to have been a great deal of criticism on your now terminated clemency program, that it was too limited and restricted in its scope and its effectiveness. The small number of applicants in the program out of the larger number who are eligible seem to bear out this criticism, in my mind, as being valid. Do you have any plans to institute a real, substantive, total, and complete amnesty to those young men who in good conscience refused to fight in the Southeast Asian war?

THE PRESIDENT. Shortly after I was sworn in, I instituted a program that said that individuals, draft evaders or draft deserters, could return and, after consideration by an impartial panel, would have an opportunity to earn the restoration of their rights. There were approximately 105,000 who fell in that category. As I recall, roughly 20,000 applied. I wish that more had, because roughly 18,000 were given an opportunity and have restored their rights.

I think it was a good program. I think it was tragic that more didn't apply. You should read some of the letters that I have gotten from individuals who returned from a foreign country or came out of hiding, took part in the program, and have just felt that it was a great program, the ones that tried it.

And I think it was just tragic that more didn't. But we have no immediate plans at the present time for any extension of the program or a change. I wish more had taken advantage of it. What happens in the future, we will have to wait and see.

ABORTION

[21.] Q. Mr. President, one more question. Would you support or oppose a constitutional amendment on abortion?

THE PRESIDENT. I do not support the better known amendment that would preclude any abortion whatsoever. I want to add this because I think it is a subject that deserves more than the simple answer that you might have gotten. I have many reservations and oppose the decision of the Supreme Court of 1973. I think there can be a moderate, middle-ground position.

Now, in our own family, my dear wife, she differs substantially with me. But let me just say I don't take the extreme position on either side. I think it is a matter that has to find some better solution than what we have at the present time.

VETERANS BENEFITS

[22.] Q. Hello, Mr. President, my name is Dennis Moore, and I am not from the People's Bicentennial Commission. I want to compliment Mrs. Ford tonight. She looks pretty well, a little old-fashioned, but okay. [*Laughter*]

My question has to do with veteran benefits. I used to be a veteran, and while I was in the service I saw the benefits just decrease at an amazing rate. And now that I am out of the service, I don't know how I stand, because benefits are—sometimes they are there, sometimes they are not. I just want to know how they are going to stand under your administration—excuse me, I am nervous.

I want to know, under your administration, now that we are an all-volunteer force, what is going to happen to our benefits? Are we going to keep them or are they going to be still decreased? Like our commissary—what is going to happen to it?

THE PRESIDENT. Let me take one at a time.

Our prime responsibility is to provide the finest medical care for those who were injured in wartime, and we have 170 or 180 USVA hospitals, and we have substantially increased the medical and nursing care personnel so that we give quality care to those veterans who are in these hospitals. Number two, there is not going to be any elimination of the GI educational benefits for those veterans who have served in wartime.

Let me make one alternative comment. The GI bill was passed during World War II for those 16 million Americans who served so when they got out they could get an education. It expired after World War II. Korea came along, again combat, and it was reenacted.

After the end of the Korean war—combat having ceased—it expired. When the Vietnam war came along, it was reenacted. The Vietnam war has now been over for a year or more, as far as we are concerned.

Now the question is whether in peacetime you should continue giving educational benefits to those who serve under an all-volunteer system?

Q. I think you should. How do you feel?

THE PRESIDENT. Let me raise a question. We want an all-volunteer service, and we have got it. There is no more draft. I am all for it. But if you give educational benefits to an all-volunteer force, and you want them to stay in so we have career personnel, and at the same time, you give them educational benefits so that is an incentive for them to get out, it doesn't make much sense from the point of view of the Government.

So, we are going to give every GI who entered the service his GI benefits, if it was a matter of law at that time. But it raises a serious question, whether you should give it to some fellow who volunteers on his own initiative and then provide an incentive for him to get out at the end of 3 years so he can go to school.

Now, I think we can solve it, and this is the way it ought to be solved. If a young man volunteers, he has a high school education, we ought to give him educational opportunities in the service so that he can go to school, get his college degree so the service will have him with a higher education, rather than having him get out to get an education. That is the better way to solve it.

THE PRESIDENT'S VOTING RECORD

[23.] Q. Mr. President, sir, my name is Bonzo, and I am an escapee from an old Ronald Reagan flick. I have been challenging him all over the country as the candidate of big business, as the fat cat's candidate. The way you talk about freedom for the giant corporations, I will be forced to challenge you as well, sir. Why should you not be called the big business candidate?

THE PRESIDENT. Why should I not be?

Q. Why should you not be called that, sir?

THE PRESIDENT. Well, I think if you look at my voting record for 25-plus years in the House of Representatives, where I voted over 4,000 times, if you will look at the voting record, you will find that it could not be categorized as a candidate of big labor, big business.

It was a voting record that called them as I saw them for the overall benefit of the United States, and as President I have carried out precisely the same policy.

POST-ELECTION PLANS

[24.] Q. President Ford, my name is Paul Walton, and I am on the California Exchange Program from San Diego. I would like to know that if you

were elected to the Presidency of the United States, what new changes would take place?

THE PRESIDENT. Let's take foreign policy. We are at peace, as I said in my opening remarks. We have strengthened our relations with the NATO nations in Western Europe, and they are getting better every day.

We have the best, the finest relations with Japan we have ever had. We are making excellent headway in pushing for a permanent and a fair and equitable peace in the Middle East.

We are keeping a dialog with words and not bullets with the Soviet Union, and we are making, improving relations with the People's Republic of China. In foreign policy we are going to keep moving ahead on the same policy of achieving peace, maintaining peace that we have had.

In the domestic policy area, I think we are on the right course for us to continue to improve our economic situation. We are going to continue the downward trend in inflation. We have made a lot of progress from what it was 18 months ago. It was over 12 percent a year. It is 6 percent a year now, and it is going down.

Unemployment is headed in the right direction, down; the trend of the gross national product is in the right direction. So, we are going to keep a firm, steady hand to make sure that these trends continue.

That will take a lot of hard work, a little confrontation with my friends in the Congress. But I think we will come out in good shape, and America will be a better country in 1977 and the years thereafter.

Thank you all very much.

NOTE: The President spoke at 7:05 p.m. in Lundholm Gymnasium. In his opening remarks, he referred to Eugene S. Mills, president of the University of New Hampshire, and David Farnham, president of the university's student government.

69

Remarks Upon Signing a Message to the Congress on Older Americans. *February 9, 1976*

TODAY I am sending a message to the Congress that expresses my confidence and support of older Americans, my very deep concern about the problems of the aging, and my proposals for dealing with the problems involving them. Society owes a very deep debt of gratitude to all older persons who have worked hard and contributed significantly to our Nation's progress.

Older Americans continue to enrich our lives with their vision, strength, and experience. They have earned the right to live securely, comfortably, and independently. The proposals that I am sending to the Congress offer significant improvements in the quality of life for all older Americans.

We all have a great stake in fighting inflation, but older Americans living on fixed incomes are especially hard hit. I pledge to continue the fight against inflation.

To provide special relief to the elderly, I am requesting in my budget for fiscal year 1977 that the full cost-of-living increase in social security benefits are paid during the coming year.

The value of the social security system is beyond challenge. I am concerned, however, about the integrity of the Social Security Trust Fund, that enables people to count on this source of retirement income. I am concerned because the system now pays out more in benefits than it receives in tax payments.

To prevent a rapid decline in the Trust Fund over the next few years, I had to make a very difficult decision. I am proposing a small payroll tax increase of three-tenths of 1 percent each—for employees as well as employers—of covered wages. The alternative would have been to limit expected increases in retirement and disability payments. This proposed tax increase will help to stabilize the Trust Fund so that current and future recipients will be fully assured of receiving the benefits they are entitled to.

I am also very concerned about the effect of catastrophic illnesses. I want to lighten the financial burden which now strikes after prolonged hospitalization—when the elderly and their families can least afford it. Therefore, I am proposing catastrophic health insurance for the more than 24 million Americans and disabled Americans protected by Medicare.

No one who is covered by Medicare would have to pay more than $500 a year for covered hospital or nursing home care. No one who is covered by Medicare would have to pay more than $250 for 1 year's doctor bills. Beneficiaries and their physicians now have little incentive to limit the duration of hospitalization for less serious conditions.

To encourage economic use of covered health services, I am also proposing changes in cost-sharing arrangements. As under the current system, a beneficiary who is in the hospital will pay $104 a day for the first day of hospital services. In addition, he or she will pay 10 percent of additional charges up to an annual maximum of $500. For covered physician services, my proposal would increase the annual deductible from $60 to $77 and would continue the current 20 percent cost sharing.

To help finance the added protection, I am proposing to limit Medicare reimbursement rates to 7 percent for hospital services and 4 percent for physician services. These proposals are of particular importance in achieving my goal of helping all Americans live in dignity, security, and good health.

I hope you will join me in efforts to secure congressional passage of these important proposals. We must show our commitment to a cause that is often too long neglected—the dignity and well-being of America's older generations.

I will now sign the messages to the Congress—one to the House and one to the Senate urging that they undertake the enactment of this necessary legislation.

Thank you very much.

NOTE: The President spoke at 10:05 a.m. at a ceremony in the Oval Office at the White House.

70

Special Message to the Congress on Older Americans. *February 9, 1976*

To the Congress of the United States:

I ask the Congress to join with me in making improvements in programs serving the elderly.

As President, I intend to do everything in my power to help our nation demonstrate by its deeds a deep concern for the dignity and worth of our older persons. By so doing, our nation will continue to benefit from the contributions that older persons can make to the strengthening of our nation.

The proposals being forwarded to Congress are directly related to the health and security of older Americans. Their prompt enactment will demonstrate our concern that lifetimes of sacrifice and hard work conclude in hope rather than despair.

The single greatest threat to the quality of life of older Americans is inflation. Our first priority continues to be the fight against inflation. We have been able to reduce by nearly half the double digit inflation experienced in 1974. But the retired, living on fixed incomes, have been particularly hard hit and the progress we have made in reducing inflation has not benefited them enough. We will continue our efforts to reduce federal spending, balance the budget, and reduce taxes. The particular vulnerability of the aged to the burdens of inflation, however, requires that specific improvements be made in two major Federal programs, Social Security and Medicare.

We must begin by insuring that the Social Security system is beyond challenge. Maintaining the integrity of the system is a vital obligation each generation has to those who have worked hard and contributed to it all their lives. I strongly reaffirm my commitment to a stable and financially sound Social Security system. My 1977 budget and legislative program include several elements which I believe are essential to protect the solvency and integrity of the system.

First, to help protect our retired and disabled citizens against the hardships of inflation, my budget request to the Congress includes a full cost of living increase in Social Security benefits, to be effective with checks received in July 1976. This will help maintain the purchasing power of 32 million Americans.

Second, to insure the financial integrity of the Social Security trust funds, I am proposing legislation to increase payroll taxes by three-tenths of one percent each for employees and employers. This increase will cost no worker more than $1 a week, and most will pay less. These additional revenues are needed to stabilize the trust funds so that current income will be certain to either equal or exceed current outgo.

Third, to avoid serious future financing problems I will submit later this year a change in the Social Security laws to correct a serious flaw in the current system. The current formula which determines benefits for workers who retire in the future does not properly reflect wage and price fluctuations. This is an inadvertent error which could lead to unnecessarily inflated benefits.

The change I am proposing will not affect cost of living increases in benefits after retirement, and will in no way alter the benefit levels of current recipients. On the other hand, it will protect future generations against unnecessary costs and excessive tax increases.

I believe that the prompt enactment of all of these proposals is necessary to maintain a sound Social Security system and to preserve its financial integrity.

Income security is not our only concern. We need to focus also on the special health care needs of our elder citizens. Medicare and other Federal health programs have been successful in improving access to quality medical care for the aged. Before the inception of Medicare and Medicaid in 1966, per capita health expenditures for our aged were $445 per year. Just eight years later, in FY 1974, per capita health expenditures for the elderly had increased to $1218, an increase of 174 percent. But despite the dramatic increase in medical services made possible by public programs, some problems remain.

There are weaknesses in the Medicare program which must be corrected. Three particular aspects of the current program concern me: 1) its failure to provide our elderly with protection against catastrophic illness costs, 2) the

serious effects that health care cost inflation is having on the Medicare program, and 3) lack of incentives to encourage efficient and economical use of hospital and medical services. My proposal addresses each of these problems.

In my State of the Union Message I proposed protection against catastrophic health expenditures for Medicare beneficiaries. This will be accomplished in two ways. First, I propose extending Medicare benefits by providing coverage for unlimited days of hospital and skilled nursing facility care for beneficiaries. Second, I propose to limit the out-of-pocket expenses of beneficiaries, for covered services, to $500 per year for hospital and skilled nursing services and $250 per year for physician and other non-institutional medical services.

This will mean that each year over a billion dollars of benefit payments will be targeted for handling the financial burden of prolonged illness. Millions of older persons live in fear of being stricken by an illness that will call for expensive hospital and medical care over a long period of time. Most often they do not have the resources to pay the bills. The members of their families share their fears because they also do not have the resources to pay such large bills. We have been talking about this problem for many years. We have it within our power to act now so that today's older persons will not be forced to live under this kind of a shadow. I urge the Congress to act promptly.

Added steps are needed to slow down the inflation of health costs and to help in the financing of this catastrophic protection. Therefore, I am recommending that the Congress limit increases in medicare payment rates in 1977 and 1978 to 7% a day for hospitals and 4% for physician services.

Additional cost-sharing provisions are also needed to encourage economical use of the hospital and medical services included under Medicare. Therefore, I am recommending that patients pay 10% of hospital and nursing home charges after the first day and that the existing deductible for medical services be increased from $60 to $77 annually.

The savings from placing a limit on increases in Medicare payment rates and some of the revenue from increased cost sharing will be used to finance the catastrophic illness program.

I feel that, on balance, these proposals will provide our elder citizens with protection against catastrophic illness costs, promote efficient utilization of services, and moderate the increases in health care costs.

The legislative proposals which I have described are only part of the over-all effort we are making on behalf of older Americans. Current conditions call for continued and intensified action on a broad front.

We have made progress in recent years. We have responded, for example, to recommendations made at the 1971 White House Conference on Aging. A Supplemental Security Income program was enacted. Social Security benefits have been increased in accord with increases in the cost of living. The Social Security retirement test was liberalized. Many inequities in payments to women have been eliminated. The 35 million workers who have earned rights in private pension plans now have increased protection.

In addition we have continued to strengthen the Older Americans Act. I have supported the concept of the Older Americans Act since its inception in 1965, and last November signed the most recent amendments into law.

A key component of the Older Americans Act is the national network on aging which provides a solid foundation on which action can be based. I am pleased that we have been able to assist in setting up this network of 56 State and 489 Area Agencies on Aging, and 700 local nutrition agencies. These local nutrition agencies for example provide 300,000 hot meals a day five days a week.

The network provides a structure which can be used to attack other important problems. A concern of mine is that the voice of the elderly, as consumers, be heard in the governmental decision-making process. The network on aging offers opportunities for this through membership on advisory councils related to State and Area Agencies on Aging, Nutrition Project Agencies and by participation in public hearings on the annual State and Area Plans. Such involvement can and will have a significant impact on determining what services for the aging are to be given the highest priorities at the local level.

The principal goal of this National Network on Aging is to bring into being coordinated comprehensive systems for the provision of service to the elderly at the community level. I join in the call for hard and creative work at all levels—Federal, State and Area in order to achieve this objective. I am confident that progress can be made.

Toward this end, the Administration on Aging and a number of Federal Departments and agencies have signed agreements which will help to make available to older persons a fair share of the Federal funds available in such areas as housing, transportation, social services, law enforcement, adult education and manpower—resources which can play a major role in enabling older persons to continue to live in their own homes.

Despite these efforts, however, five percent of our older men and women require the assistance provided by skilled nursing homes and other long term care facilities. To assist these citizens, an ombudsman process, related solely to the persons in these facilities, is being put into operation by the National Net-

work on Aging. We believe that this program will help to resolve individual complaints, facilitate important citizen involvement in the vigorous enforcement of Federal, State and local laws designed to improve health and safety standards, and to improve the quality of care in these facilities.

Today's older persons have made invaluable contributions to the strengthening of our nation. They have provided the nation with a vision and strength that has resulted in unprecedented advancements in all of the areas of our life. Our national moral strength is due in no small part to the significance of their contributions. We must continue and strengthen both our commitment to doing everything we can to respond to the needs of the elderly and our determination to draw on their strengths.

Our entire history has been marked by a tradition of growth and progress. Each succeeding generation can measure its progress in part by its ability to recognize, respect and renew the contributions of earlier generations. I believe that the Social Security and Medicare improvements I am proposing, when combined with the action programs under the Older Americans Act, will insure a measure of progress for the elderly and thus provide real hope for us all.

GERALD R. FORD

The White House,
February 9, 1976.

71

Remarks at a Meeting on the Bicentennial Exposition on Science and Technology. *February 9, 1976*

I AM very impressed with the development that has taken place in the last few months. I can recall very vividly when the idea was first presented to me, and it is very encouraging to see some 20 agencies in the Federal Government, plus American industry, join together in putting together a project that talks about the future of America in relationship to science in our third century.

When we look at what can be done with science, whether it is in climate or energy, in food, in health, or a wide variety of other areas, we should be emphasizing very dramatically to the people who will come and see it, the prospects for a better life in 1976 and for the next 100 years thereafter.

I think our faith in research, research and development, is best exemplified in this demonstration, but also in the funding that we have incorporated in the

fiscal year 1977 budget, not only applied science but also basic science. The overall increase in funding for science research and development is about 11 percent with certain emphasis in those areas—energy, particularly, because that is the thing we have to work on to a maximum degree to achieve energy independence by 1985.

But there is also the continuation of our space program with the space shuttle, our climate analysis programs that are vitally important for agriculture as well as otherwise, the basic research from which applied research comes. And Dr. Stever is a firm advocate of that with the National Science Foundation.

Of course, the Department of Commerce has a very significant role here, because industry and commerce are the beneficiaries of what we do with our research and development in the stages where the Federal Government is a participant.

And of course, to bring all of these things together under the aegis of the Bicentennial commission, I think, is one way where we can show to America what we have done and what we are going to do with Federal funds and the ingenuity of our scientists and the drive and foresight of our private sector.

I am very encouraged that a good many million Americans will have an opportunity—beginning May 30 and running through Labor Day—will see firsthand the best in America, not only in the past but in the future. And I congratulate everybody, John, for working with you. And you are playing a very vital role, but it is a team effort that I think the American people will greatly respect and thoroughly enjoy.

So, I congratulate you all and wish you the very best. I think it will have a a great impact not only on all that see it but it will have a significant impact on the Cape Canaveral-Kennedy Space Center operations.

I thank you for your cooperation, and let's make sure it is the very best we can possibly do.

NOTE: The President spoke at 12:35 p.m. in the Cabinet Room at the White House where he was meeting with James C. Fletcher, Administrator, National Aeronautics and Space Administration, John W. Warner, Administrator, American Revolution Bicentennial Administration, H. Guyford Stever, Director, National Science Foundation, and Lee Sherer, Director, John F. Kennedy Space Center.

For the President's telephone remarks on the dedication of the exposition at the Kennedy Space Center in Florida, see Item 591.

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Message to the Congress Transmitting Report on Little Beaver Creek, Ohio. *February 10, 1976*

To the Congress of the United States:

I am pleased to transmit this report on Little Beaver Creek, Ohio. The report was prepared in response to the provisions of the Wild and Scenic Rivers Act, Public Law 90–542, as amended.

This study found that 33 miles of the Little Beaver and its tributaries meet the criteria for inclusion in the National Wild and Scenic Rivers System, and recommended this stretch of the river be included in the National System under the administration of the State of Ohio as identified by Section 2(a)(ii) of the Act.

The State of Ohio filed an application requesting that this segment of the Little Beaver be included as a State-administered component of the National System. On October 23, 1975, Secretary Kleppe approved the application of the State of Ohio and so informed Governor Rhodes. The Congress is not required to take action in order for Little Beaver Creek to become a component of the Wild and Scenic Rivers system.

I am pleased that the Congress, in establishing this program, has made provision for the State administration of Wild and Scenic River components. This report and its recommendations demonstrate the capability of both Federal and State governments to profitably cooperate with each other.

GERALD R. FORD

The White House,
February 10, 1976.

NOTE: The report is entitled "Little Beaver Creek, A Wild and Scenic River Study" (Government Printing Office, 174 pp.).

73

Statement on Signing the Department of Defense Appropriation Act, 1976. *February 10, 1976*

ALTHOUGH I have signed H.R. 9861, the Department of Defense Appropriation Act, 1976, I believe it is necessary for me to comment upon certain provisions. One, added by the conference committee, violates the fundamental doc-

trine of separation of powers. The other would severely limit our effectiveness in international affairs.

The appropriation, "Procurement of Ammunition, Army," in title IV of the bill restricts the obligation of funds for certain purposes "until approval is received from the Appropriations and Armed Services Committees of the House and Senate."

The exercise of an otherwise valid Executive power cannot be limited by a discretionary act of a committee of Congress nor can a committee give the Executive a power which it otherwise would not have. The legislative branch cannot inject itself into the Executive functions, and opposition to attempts of the kind embodied in this bill has been expressed by Presidents for more than 50 years.

In addition, I am deeply disappointed that the Congress has acted in this bill to deprive the people of Angola of the assistance needed to resist Soviet and Cuban military intervention in their country. I believe this provision is an extremely undesirable precedent that could limit severely our ability to play a positive and effective role in international affairs.

Because of the importance of the programs which are funded by appropriations contained in this bill and the problems which would be caused by a further delay of this legislation, I shall not veto the bill. However, I intend to treat the unconstitutional provision in the appropriation "Procurement of Ammunition, Army," to the extent it requires further congressional committee approval, as a complete nullity. I cannot concur in this legislative encroachment upon the constitutional powers of the executive branch.

NOTE: As enacted, H.R. 9861, approved February 9, is Public Law 94–212 (90 Stat. 153).

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Message on the Observance of Black History Month, February 1976. *February 10, 1976*

IN THE Bicentennial year of our Independence, we can review with admiration the impressive contributions of black Americans to our national life and culture.

One hundred years ago, to help highlight these achievements, Dr. Carter G. Woodson founded the Association for the Study of Afro-American Life and History. We are grateful to him today for his initiative, and we are richer for the work of his organization.

Freedom and the recognition of individual rights are what our Revolution was all about. They were ideals that inspired our fight for Independence: ideals

that we have been striving to live up to ever since. Yet it took many years before these ideals became a reality for black citizens.

The last quarter-century has finally witnessed significant strides in the full integration of black people into every area of national life. In celebrating Black History Month, we can take satisfaction from this recent progress in the realization of the ideals envisioned by our Founding Fathers. But, even more than this, we can seize the opportunity to honor the too-often neglected accomplishments of black Americans in every area of endeavor throughout our history.

I urge my fellow citizens to join me in tribute to Black History Month and to the message of courage and perseverance it brings to all of us.

GERALD R. FORD

75

Remarks at the Swearing In of W. J. Usery, Jr., as Secretary of Labor. *February 10, 1976*

Mr. Chief Justice, Mr. Vice President, Mr. Secretary-designate, Bill Usery, distinguished members of the Cabinet, distinguished guests, ladies and gentlemen:

Let me welcome you most heartily here on this very fine occasion and to indicate to you at the conclusion of my remarks in the swearing in, I welcome all of you to join us in the State Dining Room for some refreshments.

There can be no doubt whatsoever as to the capability and the ability of Bill Usery to handle this very important job at this very crucial time. We just have to take a good, hard look at his impressive credentials, the record he built up over so many years in successfully mediating complex, controversial differences between both labor and management.

Everybody who has had any experience with Bill in this field, and those who have watched from the outside, know that he is trusted and respected by labor and management because he understands the needs as well as the concerns of both.

Bill has had a very outstanding record in the field of both labor as well as labor-management relations. He served for many years as a representative of the International Association of Machinists and Aerospace Workers of the AFL–CIO.

He was appointed Assistant Secretary of Labor for Labor-Management Relations in 1969 and did a superb job in that responsibility. In 1973 he became the

Director of the Federal Mediation and Conciliation Service, and he has been my Special Assistant for Labor-Management Relations—or Negotiations—since the day that I took office.

Bill Usery assumes this responsibility of great leadership at the Department of Labor at a very challenging time. As we look at the labor contracts expiring in 1976, we know that twice as many workers are having their contracts expire this year as last year. Some very key industries are involved—rubber, trucking, auto, electrical manufacturing, construction, as well as many others.

I think the success of our program of steady, balanced economic recovery will depend significantly on reaching commonsense labor-management agreements without prolonged major work stoppages and without inflationary settlements.

One of our top priorities—it is a job of all of us—is finding more jobs for more Americans. We must generate real, permanent, fulfilling jobs, not Government-sponsored jobs that make work but do not make a future.

This is important for America, as well as all Americans. Permanent jobs have to be generated primarily by a steady, balanced growth of our private sector, where five out of the six jobs exist today in our society.

It seems to me, as we look at recent statistics, that the steady approach is already yielding convincing results. We know from the statistics released last week by the Department of Labor that we now have more than 2 million people gainfully employed than we had last March, at the depth of the recession.

We also know that the largest monthly decline in the jobless rate in over 16 years took place between January of this year and December of last year. The record is not as good as we want it, and the record is going to be better, but we can be encouraged, and properly so, by the results of this last month's report.

In the meantime, as we have an unemployment rate that is still too high, we will continue those proven job training and opportunity programs, such as CETA, as we work our way out of this economic problem and as we work our way to total economic recovery.

I know that Bill Usery has had a very longstanding, deep, and sincere interest in helping unemployed young people, in helping veterans; and I can assure you that Bill will give his maximum attention to the whole spectrum of jobs for Americans.

We have a prime priority, all of us, those in government as well as out of government, to make certain and positive that our economic recovery program

proceeds with the right focus, with the right energy, and certainly, with the right results.

Bill, it is a privilege for me to ask Chief Justice Warren Burger to administer the oath at this time.

NOTE: The President spoke at 2:10 p.m. at a ceremony in the East Room at the White House.

Secretary Usery's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 174).

76

Remarks Upon Presenting the Presidential Medal of Freedom to David K. E. Bruce. *February 10, 1976*

Mr. Secretary, Mr. Secretary General, Ambassador Bruce:

This is one of the nicest opportunities I have to recognize one of our foremost, if not our foremost, present-day diplomats in David Bruce. I was looking over the record. Five Presidents have recognized 139 individuals with a Medal of Freedom for outstanding, exemplary, dedicated service on behalf of the United States.

But this happens to be the first Medal of Freedom (I have) given with added distinction. All of you, or many of you, know David Bruce's long, long career, which I did not know, starting in the Virginia Legislature, as I recall—or was it the Maryland Legislature? I was half right.

But I think that shows his versatility when you can be elected to the State legislature both from Virginia and Maryland. And if you look at the record going back a good many years, you see he has been called upon by many, many Presidents to do many vitally important, very crucial jobs. And although he is leaving his present job in NATO, I suggested to him that he leave his telephone number, because as we face problems from time to time, I am certain now that someone with that prestige, that ability, that experience, and that dedication can still be used most effectively on behalf of our country.

So, I would call upon Terry O'Donnell to please read the citation, which will lay out most appropriately the justification for this very, very high honor.

NOTE: The President spoke at 3:40 p.m. at a ceremony in the Cabinet Room at the White House. In his opening remarks, he referred to Secretary of State Henry A. Kissinger and Joseph M. A. H. Luns, Secretary General of the North Atlantic Treaty Organization.

Terrence O'Donnell, Aide to the President, read the citation.

Ambassador Bruce was U.S. Permanent Representative on the NATO Council. His response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 176).

77

Remarks at a Briefing for Representatives of Military Organizations on Defense and Foreign Policy. *February 10, 1976*

Secretary Clements, General Brown, General Scowcroft, members of the Joint Chiefs of Staff, distinguished guests:

It is awfully good to see you all and to welcome you to the White House. I know that Secretary Kissinger and Secretary Clements and others have briefed you very fully on the elements of our new defense budget and the policies of their respective departments.

Actually, foreign policy and defense policy are both part of a single national policy, the policy that carries out the first duty of the Federal Government, which is to make the United States and its people safe and secure in a very dangerous world.

Throughout our 200 years of independence, we have become the strongest nation in the history of mankind. And, as President, I intend to keep our military strength certain and our powder dry.

But our world has also become much more dangerous. It is also my duty to do all that I can to reduce the level of danger by diplomatic means. So, my policy for national security can be summed up in three words—peace through strength.

I believe it is far better to seek negotiations with the Soviet Union based on strength than to permit a runaway nuclear arms race and risk a nuclear holocaust.

Under my administration, the United States is at peace. There are no Americans in battle anywhere in the world today. We have greatly strengthened our essential alliances with Western Europe and with Japan.

The United States has taken a strong and very forthright stand in the United Nations on behalf of our own national interest. We challenged the Soviet Union and Cuba in their intervention in Angola, and if the Congress had stood with us, we could have preserved the opportunity to let the Angolans settle their future among themselves.

We have worked to achieve an unprecedented increase in United States foreign trade, which has ensured hundreds of thousands of American jobs. The United States has used its unique position, its position of confidence on both sides, to accomplish an historic breakthrough in peace negotiations between

Egypt and with Israel, and continues to seek a just and lasting peace throughout the Middle East.

A strong military presence and decisive action by the United States coupled with the elements of our Pacific doctrine have stabilized international relations in Asia and the Far East. I believe—and believe very strongly—that $112,700 million requested in my fiscal year 1977 defense budget represents the best way to deter war and to keep our country secure. By maintaining unquestioned military strength, we will negotiate from strength, not from weakness.

We will not prevail in this protracted struggle with the enemies of freedom, big or small, by warming over the old rhetoric of the cold war or by fast and fancy gunplay with weapons that can destroy most of the human race.

We will win this struggle, and we are winning it, by the patient and painstaking pursuit of our own national interest through continuing my present policy of peace through strength.

Anyone who has ever been in the Armed Forces, especially in wartime, knows that the final objective you gain from that experience, the continuing mission you take with you when you leave the service, is to work for a peaceful world for your children and your grandchildren.

The veterans of all nations will tell you just that. But, as Americans, we have an extra responsibility. We did not seek it, but it was thrust upon us. We cannot escape it, and we will not. Circumstances, destiny, fate, or whatever you call it, the fact is the United States of America is today the world's best and perhaps its only hope of peace with freedom.

Upon our strengths, upon our power, upon our prudence and our perseverance rests mankind's best hope for a better world. Whatever chance there is for permanent peace depends upon America's resolution and rational leadership.

I am committed to such a firm and steady course. And I am greatly encouraged and pleased by your strong and steadfast support.

I thank you very much.

NOTE: The President spoke at 5:30 p.m. in the East Room at the White House following the briefing by administration officials.

In his opening remarks, he referred to William P. Clements, Jr., Deputy Secretary of Defense, Gen. George S. Brown, USAF, Chairman of the Joint Chiefs of Staff, and Lt. Gen. Brent Scowcroft, USAF (ret.), Deputy Assistant to the President for National Security Affairs.

78

Message to the Senate Transmitting the United States-Israel Convention on Income Tax. *February 11, 1976*

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention signed at Washington on November 20, 1975, between the Government of the United States of America and the Government of the State of Israel with respect to taxes on income. Also I desire to withdraw from the Senate the Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income between the Government of the United States of America and the Government of Israel which was signed at Washington on June 29, 1965 (Executive F, 89th Congress, 1st Session).

There is no convention on this subject presently in force between the United States and Israel.

The Convention signed on November 20, 1975, is similar in many essential respects to other recent United States income tax treaties.

I also transmit, for the information of the Senate, the report of the Department of State with respect to the Convention.

Conventions such as this one are an important element in promoting closer economic cooperation between the United States and other countries. I urge the Senate to act favorably on this Convention at an early date and to give its advice and consent to ratification.

GERALD R. FORD

The White House,
February 11, 1976.

NOTE: The convention and accompanying papers are printed in Senate Executive C (94th Cong., 2d sess.).

79

Message to the Senate Transmitting the United States-Egypt Convention on Income Tax. *February 11, 1976*

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention signed at Washington on October 28, 1975, between the Government of the United States of America and the Government of the Arab Republic of Egypt

for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

There is no convention on this subject presently in force between the United States and Egypt.

The Convention is similar in most essential respects to other recent United States income tax treaties.

I also transmit, for the information of the Senate, the report of the Department of State with respect to the Convention.

Conventions such as this one are an important element in promoting closer economic cooperation between the United States and other countries. I urge the Senate to act favorably on this Convention at an early date and to give its advice and consent to ratification.

GERALD R. FORD

The White House,
February 11, 1976.

NOTE: The convention and accompanying papers are printed in Senate Executive D (94th Cong., 2d sess.).

80

Remarks at a Ceremony Commemorating the Birth of Abraham Lincoln. *February 12, 1976*

Mr. Hunt, Secretary Kleppe, Mr. Ambassador, Mr. Ralph Edwards, distinguished guests, ladies and gentlemen:

At the outset, may I congratulate Richard Barnes for his winning essay and the views that he has expressed in it. And may I also, at the same time, congratulate those who participated but who did not win, because the effort by many, I think, is what we want, even though the competition ends up with just one winner. But the net result is that all of us win by this kind of an effort, but congratulations to you personally, Richard.

May I also express my thanks to all the members of the various patriotic organizations represented here for the opportunity to join you in this Bicentennial tribute to Abraham Lincoln on the 167th anniversary of his birth. In time, Lincoln was closer to the American Revolution than we are to the Civil War.

His grandfather, in Virginia, heard the news, the great news from Philadelphia in 1776. Only fourscore and seven years had passed when President Lincoln stood among the graves in Gettysburg.

To the young Lincoln growing to manhood in Kentucky, Indiana, and Illi-

nois, Jefferson's ringing truths in the Declaration of Independence were exciting and very real—that all men are created equal; that they are endowed by their Creator with certain unalienable rights: life, liberty, and the pursuit of happiness.

Among his many gifts of greatness, Abraham Lincoln had almost a mystic ability to find deep meaning in the tumultuous events that swirled about him. His expression of these insights in words—that some called dull and dish-watery when they were spoken—are inscribed on these walls and in the hearts of his countrymen.

But it is less for the power of his words that we honor Lincoln than for the force of his faith in America and in the people of this great Republic. He saw the political system created by the Constitution as a definitive answer to the ancient debate about the ability of man to govern himself in freedom. The worth and the will of Government in Washington was being questioned and assailed all around him. But even as Americans struggled in bloody battle with other Americans over the issues the Founding Fathers had failed to resolve, President Lincoln was able to declare, "It is my confident hope and belief that this system will be found, after sufficient trials, to be better adapted everywhere than any other to the great interest of human society; namely, the preservation of peace, order and national prosperity." And after more than sufficient trial, the Union was saved and the Republic endures.

It is to Abraham Lincoln that we owe the opportunity to observe our National Bicentennial in peace among ourselves and with all nations.

Today we rededicate ourselves to the values and to the goals for which Abraham Lincoln lived and died—"that this nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people, shall not perish from the earth."

NOTE: The President spoke at 12:35 p.m. at the Lincoln Memorial. In his opening remarks, he referred to Frederick D. Hunt, chancellor-in-chief of the Military Order of the Loyal Legion and master of ceremonies, Secretary of the Interior Thomas S. Kleppe, Francis L. Dale, U.S. Representative to the European Office of the United Nations, and television personality Ralph Edwards.

The Military Order of the Loyal Legion, a patriotic organization founded on the day President Lincoln died, sponsored the annual ceremonies at the Lincoln Memorial.

81

Statement on Small Business. *February 12, 1976*

AS I have indicated on a number of occasions, the small business sector of our economy is vital to private job creation, technological innovation, competition,

and individual liberty. In this era of bigness, our Nation must maintain an environment in which small businesses can flourish.

To foster innovation and productivity gains, it is important that we have a dynamic economy in which new enterprises can be formed and will prosper. Without the ongoing search for new ideas and better ways of doing things, our competitive system would become progressively less efficient. Our historical experience indicates that innovative ideas often originate in the laboratories and workshops of small businesses. New enterprises are a basic source of innovative ideas and serve to push the entire economic system to higher levels of efficiency, thereby enhancing our competitive position in world markets. The strength of small business must be preserved if this innovative climate is to be maintained.

In addition to its economic role, small business provides the entrepreneur with a means of self-expression. The chance to create, own, and manage a business is one of our most important freedoms. My administration considers the healthy individualism of the small business entrepreneur an essential element in our economic and political system. The freedom to create and operate one's own business does not exist in many parts of the world. Because of its value to our free society, this avenue for individual opportunity must be nourished and promoted.

The largest corporate complexes started as small businesses, but most small businesses never become international, billion-dollar companies. Rather, most small firms are likely to remain relatively small. In many communities throughout our Nation, the small businessman provides the leadership so vital to community life. Since this involvement in community affairs is of great value to the quality of life in our country, I am committed to the continued health and vigor of small businesses.

At a time when we so urgently need increased private job creation, I am particularly impressed by the fact that our 9.4 million small business firms employ about 55 percent of the private sector labor force in this country and produce about 48 percent of our gross business product. The continued growth and prosperity of this vital sector is critically important if we are going to generate the expanding number of private, productive jobs required in the coming years.

The Small Business Administration was created in 1953, during the Eisenhower administration, to provide small businessmen with advice and assistance and to promote the interests of the small business community. The intent of this legislation was to "aid, counsel, assist and protect . . . the interests of small business concerns in order to preserve competitive enterprise as the basis for economic well-being and the security of the Nation." The SBA is the primary instrument

of the Federal Government in promoting the important interests of the small business community. I supported the creation of SBA in 1953 and strongly support it today. As evidence of this commitment, my fiscal year 1977 budget requests an increase of 33 percent in the SBA's major loan guarantee program. This will increase the ability of the SBA to assist in financing the many small businesses which cannot obtain needed financing in commercial markets.

In addition to supporting the work of the SBA, my administration is taking a variety of actions to foster a strong small business community. Of paramount importance, of course, is our effort to achieve sustained economic growth without inflation by moderating the increases in Federal spending and by reducing our budget deficit. To also provide additional funds for business investment and growth, I have proposed a permanent extension of the corporate surtax exemption and the 10 percent investment tax credit currently in effect and have also called for a reduction in the maximum corporate tax rate from 48 to 46 percent.

I have proposed changes in the estate tax laws to encourage expansion in family businesses. This reform will help ensure the survival of smaller businesses for future generations and allow them to expand their current operations.

Vigorous competition is necessary if small businesses are to expand and flourish. Accordingly, I have increased the antitrust resources for the FTC and the Department of Justice and emphasized the importance of vigorous antitrust enforcement.

I consider it essential to reduce the burden of government-imposed regulation and paperwork. I have, therefore, initiated a comprehensive review of all Federal regulation and paperwork in order to eliminate or improve those requirements and rules which are outdated or unnecessary.

I will designate Mitchell Kobelinski, our new Administrator of the Small Business Administration, as a member of the Economic Policy Board. This will help ensure small business participation in the formulation of our economic policies. It will also help provide me with the advice and expertise of the Small Business Administration in my consideration of economic policy issues.

These initiatives and efforts represent important and necessary improvements in the environment for small businesses in America.

82

Remarks at the Swearing In of Mitchell P. Kobelinski as Administrator of the Small Business Administration. *February 12, 1976*

Mr. Justice Stevens, Mr. Kobelinski, Mrs. Kobelinski, Secretary Kleppe, distinguished guests, ladies and gentlemen:

It is a great privilege and pleasure to see all of you here and have you participate, as I am, in the swearing in of Mitchell Kobelinski to be the Administrator of the Small Business Administration. Because of the importance of the role of the small business organizations throughout the country, the part they play in the growth, the vital economy, I greatly welcome a man of Mitchell's outstanding talent and accomplishment to head the Small Business Administration.

Many of you know, since July of 1973, Mitchell has served as a member of the Board of Directors of the Export-Import Bank of the United States. Before that, he distinguished himself in business as well as in banking in the communities in and around the city of Chicago, and now he brings his expertise and experience to this very key position in the Federal Government.

In addition, I will designate Mitch as a member of the President's Economic Policy Board, which oversees the formulation, coordination, and the implementation of all of our governmental economic policy. This Board, as I think most of you know, is the focal point for economic policy decisionmaking—both domestic and international.

The son of Polish immigrants, Mitchell Kobelinski is a fine example of the American dream come true. It is especially significant that he is being sworn in on a day when many, many Polish Americans commemorate the birth of General Kosciusko, who served the United States with such distinction during our War of Independence.

I am very pleased and delighted to see so many leaders of other ethnic communities here today to share this very, very important moment with Mitchell, his family, and the Polish-American community.

We all know that the small business sector of our economy is vital to job creation, competition, and technological innovation. In this era of bigness, our Nation absolutely needs to maintain an environment in which small businesses providing economically valuable products and services can flourish, now and in the future.

In our country today, 9,400,000 small business firms employ about 55 percent of the private sector labor force and produce approximately 48 percent of our gross business product. The continued growth of small business is critically important if we are going to generate the expanding number of productive jobs our country will need in the coming years.

To provide small businessmen with the advice they need and the assistance that they require and to promote the interests of the small business sector, the Small Business Administration was established in 1953, under President Eisenhower. The intent of this legislation, as written in the statute, was to aid, to counsel, assist, and to protect the interests of small business concerns in order to preserve competitive enterprise as the basis for economic well-being and the security of the Nation.

In 1953 I was in the House of Representatives and supported, as I think virtually every Member did, the creation of SBA. And I support it strongly today. As tangible proof of this commitment, in order to increase the ability of SBA to assist in financing the many, many small businesses which are unable to obtain financing in commercial markets, my fiscal year 1977 budget calls for an increase of 33 percent in SBA's major loan guarantee program—and we can blame Tom Kleppe for twisting my arm in that regard.

I am very pleased—I am sure it is obvious—to have someone with Mitch Kobelinski's ability, his perception, and his dedication assuming the lead role in aiding and assisting the small business community and heading up the handling of such matters for my administration. I look forward to working with Mitch in furthering the interests and the needs and the requirements of the small business community.

Now it is my great personal pleasure and privilege to participate in the swearing-in ceremony, and I ask Justice Stevens if he would administer the oath, please.

NOTE: The President spoke at 2:08 p.m. at a ceremony in the State Dining Room at the White House. In his opening remarks, he referred to Thomas S. Kleppe, Secretary of the Interior and former Administrator of the Small Business Administration.

John Paul Stevens, Associate Justice of the Supreme Court, administered the oath of office.

Mr. Kobelinski's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 182).

83

Veto of a Public Works Employment Bill. *February 13, 1976*

To the House of Representatives:

I am returning without my approval H.R. 5247, the Public Works Employment Act of 1975.

Supporters of this bill claim that it represents a solution to the problem of unemployment. This is simply untrue.

The truth is that this bill would do little to create jobs for the unemployed. Moreover, the bill has so many deficiencies and undesirable provisions that it would do more harm than good. While it is represented as the solution to our unemployment problems, in fact it is little more than an election year pork barrel. Careful examination reveals the serious deficiencies in H.R. 5247.

First, the cost of producing jobs under this bill would be intolerably high, probably in excess of $25,000 per job.

Second, relatively few new jobs would be created. The bill's sponsors estimate that H.R. 5247 would create 600,000 to 800,000 new jobs. Those claims are badly exaggerated. Our estimates within the Administration indicate that at most some 250,000 jobs would be created—and that would be over a period of several years. The peak impact would come in late 1977 or 1978, and would come to no more than 100,000 to 120,000 new jobs. This would represent barely a one tenth of one percent improvement in the unemployment rate.

Third, this will create almost no new jobs in the immediate future, when those jobs are needed. With peak impact on jobs in late 1977 or early 1978, this legislation will be adding stimulus to the economy at precisely the wrong time: when the recovery will already be far advanced.

Fourth, Title II of the bill provides preferential treatment to those units of government with the highest taxes without any distinction between those jurisdictions which have been efficient in holding down costs and those that have not.

Fifth, under this legislation it would be almost impossible to assure taxpayers that these dollars are being responsibly and effectively spent.

Effective allocation of over $3 billion for public works on a project-by-project basis would take many months or years. The provision that project requests be approved automatically unless the Commerce Department acts within 60 days will preclude any useful review of the request, and prevent a rational allocation of funds.

Sixth, this bill would create a new urban renewal program less than two years

after the Congress replaced a nearly identical program—as well as other categorical grant programs—with a broader, more flexible Community Development block grant program.

I recognize there is merit in the argument that some areas of the country are suffering from exceptionally high rates of unemployment and that the Federal Government should provide assistance. By budgets for fiscal years 1976 and 1977 do, in fact, seek to provide such assistance.

Beyond my own budget recommendations, I believe that in addressing the immediate needs of some of our cities hardest hit by the recession, another measure already introduced in the Congress, H.R. 11860, provides a far more reasonable and constructive approach than the bill I am vetoing.

H.R. 11860 targets funds on those areas with the highest unemployment so that they may undertake high priority activities at a fraction of the cost of H.R. 5247. The funds would be distributed exclusively under an impartial formula as opposed to the pork barrel approach represented by the bill I am returning today. Moreover, H.R. 11860 builds upon the successful Community Development Block Grant program. That program is in place and working well, thus permitting H.R. 11860 to be administered without the creation of a new bureaucracy. I would be glad to consider this legislation more favorably should the Congress formally act upon it as an alternative to H.R. 5247.

We must not allow our debate over H.R. 5247 to obscure one fundamental point: the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. This is the core of my economic policy, and I believe that the steady improvements in the economy over the last half year on both the unemployment and inflation fronts bear witness to its essential wisdom. I intend to continue this basic approach because it is working.

My proposed economic policies are expected to foster the creation of 2 to 2.5 million new private sector jobs in 1976 and more than 2 million additional jobs in 1977. These will be lasting, productive jobs, not temporary jobs payrolled by the American taxpayer.

This is a policy of balance, realism, and common sense. It is an honest policy which does not promise a quick fix.

My program includes:

—Large and permanent tax reductions that will leave more money where it can do the most good: in the hands of the American people;

—Tax incentives for the construction of new plants and equipment in areas of high unemployment;

—Tax incentives to encourage more low and middle income Americans to invest in common stock;

—More than $21 billion in outlays for important public works such as energy facilities, wastewater treatment plants, roads, and veterans' hospitals representing a 17 percent increase over the previous fiscal year;

—Tax incentives for investment in residential mortgages by financial institutions to stimulate capital for home building.

I have proposed a Budget which addresses the difficult task of restraining the pattern of excessive growth in Federal spending. Basic to job creation in the private sector is reducing the ever-increasing demands of the Federal government for funds. Federal government borrowing to support deficit spending reduces the amount of money available for productive investment at a time when many experts are predicting that we face a shortage of private capital in the future. Less investment means fewer new jobs and less production per worker.

Last month, under our balanced policies, seasonally adjusted employment rose by 800,000. That total is almost three times as large as the number of jobs that would be produced by this legislation and the jobs those men and women found will be far more lasting and productive than would be created through another massive public works effort.

I ask the Congress to act quickly on my tax and budget proposals, which I believe will provide the jobs for the unemployed that we all want.

GERALD R. FORD

The White House,
February 13, 1976.

NOTE: The House of Representatives overrode the President's veto on February 19. On the same day, the Senate sustained the veto.

84

Letter to the Speaker of the House and the President of the Senate on a Nuclear-Powered Navy. *February 13, 1976*

IN DEVELOPING the budget for FY 1977, the Navy and the Secretary of Defense have reviewed the requirements for surface combatants and recommended a program to me. I approve that program. In approving that program, it was clearly understood that, on a ship for ship basis, a nuclear powered ship is

superior in some respects to a conventionally powered one with equivalent sensors and weapons. The major issue with nuclear power concerns whether the added military benefits are worth the extra costs involved, particularly when those costs force reductions in numbers of ships or in the funding requirements of other important programs. Other concerns include the limited shipyard capacity available and extended lead time required to build nuclear powered ships. We have arrested the decline in the numerical size of the Navy, and my program (a mix of conventional and nuclear powered ships) will help to increase the number of ships in the Navy.

In view of the urgent need for increased anti-air warfare capability, we want to introduce and rapidly build up the number of ships equipped with the AEGIS area air defense weapon system. Due to the much greater cost and the later delivery date of the nuclear AEGIS ship, I believe it is in the national interest, taking into account fiscal constraints, to pursue a balanced program of nuclear and non-nuclear AEGIS ships. Therefore, I have included funding in my FY 1977 budget for a conventionally powered ship equipped with the AEGIS missile system. Since FY 1978 is the earliest that a nuclear vessel can be efficiently procured, I am also requesting advance procurement funds for the first nuclear powered AEGIS cruiser, with the balance of funding for this ship in FY 1978. Because the non-nuclear ship is less expensive and because it can be at sea almost two years before the nuclear powered AEGIS ship, I believe we should proceed with the conventionally powered ship first.

In compliance with Title VIII of P.L. 93–365, I have attached to this letter an enclosure with the design, cost and schedule of my proposed program and an alternative all nuclear program. As shown in the enclosure, at a cost of $1.7 billion less through 1981, my program would provide 3 more ships for the fleet.

If the all nuclear option is selected, either the Congress must provide more money for shipbuilding or the total number of ships in the force will further decline. The fewer number of AEGIS ships resulting from the all nuclear option will also delay achievement of a critical need for improving our force wide fleet air defense capability.

The Secretary of Defense will provide further detail to the appropriate Committee Chairman concerning this surface ship procurement program.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

The text of the enclosure was included as part of the release.

85

Statement on the Birthday of Susan B. Anthony. *February 13, 1976*

SUNDAY, February 15, is the birthday of Susan B. Anthony, who was born on a Massachusetts farm in 1820.

From an early interest in the temperance, antislavery, and women's rights movements of her day, Susan B. Anthony rose to meet the discrimination of her day which denied women the right to vote.

With other dedicated women, she took the cause of women's suffrage to State capitals across our growing Nation. Although her efforts brought only limited success in her lifetime, the irreversible change she wrought in the attitudes of society ultimately led to the ratification of the nineteenth amendment to the U.S. Constitution.

As we engage in a continuation of her struggle to ensure legal equality today, it is encouraging to remember her message to a 1906 women's suffrage association banquet in Washington, D.C. She simply but eloquently said: "Failure is impossible."

86

The President's News Conference of *February 13, 1976*

Thank you very much, Joe McGovern, members of Sigma Delta Chi, my former colleagues in the House—Lou, Skip, and Bill—distinguished guests, ladies and gentlemen:

I am extremely happy to be back in the Sunshine State and, likewise, as far as the city of Orlando is concerned, I have been here a number of times. But before we begin the questions, I have one announcement.

International Chamber of Commerce

[1.] The International Chamber of Commerce has decided to hold its 1978 annual convention here in Orlando. It is expected that the convention will generate about $1 million for your local economy. The United States Travel Service, a division of the Federal Department of Commerce, was instrumental

in attracting this convention to the United States, and your own outstanding facilities made Orlando the final choice of the International Chamber.

I think this is an excellent example of how government and the private sector can work together toward a common goal. I congratulate the city of Orlando, and I am pleased that we were able to play a part in this successful venture and effort.

With those brief observations and that good news announcement, I will be glad to respond to the first question.

Questions

SOLAR RESEARCH CENTER

[2.] Q. Mr. President, a two-part question, sir. Since you took office you have lashed out somewhat, of course, at Congress for its slowness in development of a research and energy conservation plan. We now understand from ERDA that it will be possibly more than 6 months before the site for the solar research center is chosen, and that politics has entered into the picture so much in that site selection that all the States in the Union may soon join in that competition. The question, sir, is the pot—meaning the Ford administration—calling the kettle black?

The President. Let me get to the process and procedure for the determination of the solar research center.

ERDA, under Dr. Robert Seamans, is in the process right now of preparing the criteria which will be distributed to all applicants for participation in the solar research center. It is expected that the criteria will be developed and made available within several weeks or a month. Following that, any city, any State, any combination of governmental units can apply on the basis of the criteria, the technical criteria, that has been established by the Energy Research and Development Agency [Administration].

As I said, it will be 2 to 4 weeks before the criteria are out. It will probably be 6 months or so after all applications have been received before ERDA can make a final decision. That decision will be made as rapidly as possible. We want to move ahead as quickly as possible, because solar research and solar techniques are very important in our long-range energy program.

Q. Mr. President, would it possibly be in the best interest of the country's taxpayers to develop the center here in Florida, in Brevard County, where

the expertise of the Kennedy Space Center is nearby and, particularly, as Brevard County has maintained a 17 percent or more unemployment rate?

THE PRESIDENT. Certainly, Brevard County and the whole area have many, many assets that certainly will be important at the time they submit their application under the criteria established by ERDA. But it would be ill-advised and probably completely wrong for me to make any commitment on behalf of ERDA, because that is a technical decision. I am sure that the application will be a good one. I am certain that this area will get excellent consideration. But it would be, I think, wrong for me to make a decision other than to say I know you have lots of sunshine.

AID TO THE ELDERLY

[3.] Q. Mr. President, you have given the first of some special messages to Congress on the problems of the elderly. What kind of help do you propose to help Florida's many senior citizens?

THE PRESIDENT. In the first place, I fully agree with whatever the increases in social security benefits will be under the cost-of-living escalator clause. That will take place later this year. I fully concur with that.

Number two, I happen to believe that it is vitally important for us to make certain that the Social Security Trust Fund is fully funded. At the present time, it is running in a deficit of about $4 billion per year. Sometime in 1980, if we don't do something, the fund will be depleted. I have recommended one proposal to make sure, to make positive, that those who are retired and those who are to be retired will have a continuous flow of the benefits under social security.

Number three, I have recommended that we incorporate in the law a new program to take care of, roughly, the 3 million individuals, most of whom are among our older citizens, who are suffering from what we call catastrophic illnesses. At the present time, there is no program to take care of those who have extended and serious illnesses. I have proposed a catastrophic health care plan that will take care of about 3 million people under Medicare. I think it is a good proposal, and I hope the Congress will respond to it.

In addition, I have recommended good funding, I think, for what we call the Older Americans Act. It has a wide variety of services that are incorporated, and I hope the Congress does as I have recommended in the funding of those programs.

Q. On the health care plan you mentioned, Mr. President, Dr. Hobert Jackson, who is vice president of the National Council on Aging, said in

Gainesville, that your health care program has some good concepts but, in effect, it would help only 1 in every 300 people affected.

THE PRESIDENT. As I understand it, it would help very specifically, 3 million out of roughly 24 million. Now the good part of it is that these 3 million are the ones who are most adversely affected by the cost of 2, 3, 5 years of extended care in mounting doctor bills. It seems to me that we ought to put special emphasis on taking care of those tragic cases where you have extended illnesses.

In the meantime, under Medicare, there still would be a health care program for those who participate. But we put a new tilt, trying to be helpful to the people affected with a catastrophic illness.

ENERGY INDEPENDENCE

[4.] Q. Mr. President, not too many years ago, another American President put a challenge forth to this country to put a man on the Moon. Technology met that challenge, as you know. That task was met and we did put a man on the Moon. The Project Independence was recently launched 2 years ago to make this country energy self-sufficient. Reports are indicating this is failing and failing rather miserably. Why is it failing, Mr. President? Why can't this country be energy self-sufficient, and will you put a timetable on that?

THE PRESIDENT. In January of 1975, in my State of the Union Message, I laid out a 10-year program. I had a number of specific items that, if Congress would respond, we could become energy independent in 10 years, by 1985. Unfortunately, the Congress dillydallied day after day after day and, finally, in December they passed a partial answer to the request that I had made in January. The bill which I signed is a base from which we can operate. It provides for some conservation. It provides, over a 40-month period, for increased production domestically, and it has some conservation features.

On the other hand, it has done nothing to deregulate natural gas. Tragically, we had a setback a week or so ago in the House of Representatives, but we hope we can retrieve that. That would be something that I recommended Congress should do.

In addition, I have recommended for the energy research and development program $2,900 million. It is about a 30-some percent increase in research and development funds for energy—including solar, geothermal, fossil fuels, nuclear energy. And if Congress appropriates the money, it will move us ahead

in those fields as well as several other exotic fields. In the case of solar energy, the increase in research and development funds was over 40 percent.

So, we are trying to move ahead in conservation, in increased domestic production, the greater utilization of coal in research and development for the long term. Although the Congress did not respond as well as I would have liked last year, I think we will make more headway in 1976.

Q. Do you have any timetable in mind on that, sir?

THE PRESIDENT. If the Congress would pass all the things I recommended, we would be well on our way to energy independence by 1985. Even though they have been a little slow, I am always an optimist that they will begin to move.

U.S. REPRESENTATIVE TO THE UNITED NATIONS

[5.] Q. Mr. President, I have a two-part question concerning U.N. Ambassador Daniel Moynihan. Would you comment on James Reston's [1] report that while you were publicly praising Ambassador Moynihan, you and Secretary Kissinger deplored his actions?

THE PRESIDENT. Secretary Kissinger and myself, both publicly and privately, repeatedly endorsed the positions that Ambassador Moynihan took and the way he handled his job as Ambassador to the United Nations. I think the best evidence of that is what Ambassador Moynihan said on many occasions subsequent to his letter of resignation, where he fully indicated that I had supported him, that Secretary Kissinger had supported him. I think the new Ambassador who will succeed him will carry out the same policy—which are policies of strength in the United Nations, trying to break up the bloc voting, making certain that the position of the United States is strongly put forward, and that we don't take a back seat to anybody. Pat Moynihan did a fine job, and his successor will, too.

Q. Along that same line, on the question of appointment for a new U.N. Ambassador, the Sentinel Star here in Orlando has called on you, editorially, to appoint an eagle and not a pigeon. Which will it be?

THE PRESIDENT. The first Ambassador I appointed to the United Nations was Pat Moynihan. I guess Pat would fall under the heading of an eagle, and I can assure you, as I said a moment ago, that his successor will be just as strong, just as firm as Pat Moynihan was.

DEREGULATION OF NATURAL GAS

[6.] Q. Mr. President, you already touched on deregulation of natural gas. The oil industry is pushing Congress and Government to deregulate natural gas.

[1] New York Times vice president and columnist.

This would increase the cost to user States like Florida considerably. It would go at least from 50 cents to $2. Now, what effect would this have on consumer prices, and what effect would it have on the people of Florida?

THE PRESIDENT. I think it really comes down to this. We either have American natural gas or you use foreign oil. And I think the American people would rather have American natural gas than to pay high prices they are paying for Middle Eastern oil at the present time. If we deregulate natural gas in the United States, we will increase the supply, and the price increase will be moderate, and we will control it. But if you rely and continue to rely on Middle Eastern oil, the price is out of our control. It is in the hands of the Arab OPEC nations.

So, I would rather put my gamble on American products right here at home than to depend on the whim and fancy and the price increases of Arab oil.

Q. Do you think natural gas would replace a lot of oil supplies?

THE PRESIDENT. I think if we give the people who are seeking to develop more American gas and oil wells—if they have a fair price—we will develop a greater source of supply. No question about it. But if we keep the price down, it is uneconomical for them to drill. We have to give them an incentive. And I would rather give the incentive to American oil and gas people than I would to OPEC Arab oil drillers. That is just what it amounts to.

INCOME TAX REFORM

[7.] Q. Mr. President, I am from your home area, Traverse City. I interviewed you before you were President. It is nice to see you as President.

Secretary of the Treasury William Simon was here yesterday, and he mentioned he would like to see income tax—a personal income tax—based on a straight, no deduction percentage. Was that his idea, or was that a trial balloon he is sending up for the administration?

THE PRESIDENT. The Secretary of the Treasury, who is a most able member of my Cabinet, has talked to me about this proposal. I think there are some good features in it. But I think it ought to be researched more. I think it ought to be staffed, as we say, among more people than just one individual.

Such a study, if it is not already underway, will get underway. But, I think, it is premature to make any commitment until we have a final evaluation. I can tell you that Secretary Simon is pushing it, but we have not given any green light to a submission as far as the Congress is concerned.

Q. The second part of the question might be, do you have a tax revision plan?

THE PRESIDENT. The Secretary of the Treasury has testified on a number of occasions before the House Committee on Ways and Means and, I think, the Senate Finance Committee with some guidelines of this administration concerning tax reform and tax revision.

The House has passed a bill. We like some of it; we don't like other parts of it. We think the Internal Revenue Code could be simplified. But we are working with the Congress not only on our ideas but some of the things that have come out from the Department of the Treasury.

In the State of the Union Message that I gave a month or so ago, I did recommend some tax changes—one of them to provide an incentive to industry to build new plants, buy new equipment in high unemployment areas, giving them a more rapid amortization.

I also recommended tax changes that would permit individuals to buy stock in American corporations, to become owners, and get a tax deferral during a period of time. I think we ought to broaden the ownership of American industry. That was another tax proposal, and we will be coming forth with some others as the session progresses.

FLORIDA PRIMARY ELECTION

[8.] Q. Mr. President, we are told you are only going to make two visits to Florida before the March 9 primary. Are you confident that only 4 or 5 days of campaigning in Florida can win you the primaries, especially when most political observers see the Ford-Reagan contest as a tossup in this State and that many reports have surfaced that your Florida campaign is in disarray?

THE PRESIDENT. Let me make two very categorical comments: number one, I think I will do well in Florida; number two, my campaign organization is in good shape. Lou Frey has done a good job. We have supplemented his staff with some additional people, because it is getting closer and closer to March 9. Therefore, I think our Florida organization will do a good job, and I think we will win in Florida.

Now, I happen to believe that coming down here on this trip and possibly another one is important. That is why I am here. But, I must say my principal job is to continue to be an effective President. It is more important that I attend to the many, many responsibilities as President, and on weekends or on quick trips, I will try to come down, as I am on this occasion. But, my principal responsibility is to make sure that our domestic and international policies are carried out in the best interest of the country as a whole.

PUBLIC WORKS BILL

[9.] Q. Today you vetoed the $6 billion public works bill that was designed to create 600,000 new jobs. Are you confident that the Nation is making a good enough economic recovery that no new Federal jobs program will be needed?

THE PRESIDENT. Let me say we have had some excellent news last week. We got an indication that the unemployment rate had dropped by half a percentage point, the best record in 16 years of a drop. In addition, we have 800,000 more Americans gainfully employed in January than we had in December, and 2,100,000 more since last March. The unemployment trend is down; the employment trend is up, and we are very encouraged.

Then we had some good news this morning. The Wholesale Price Index showed no increase, which means that no increase in January, 1.4 percent-minus in December, and a zero increase in November. So, for the last 3 months, a quarter of a year, we have had a minus movement as far as the Wholesale Price Index is concerned.

So, both employment and unemployment and the Wholesale Price Index were doing very well, and I am optimistic that if we keep the economy going the way it is going, there is not any need for a $6 billion inflationary, so-called jobs bill.

It seems to me if you add $6 billion to the Federal deficit, which that bill would do, all you are doing is helping to reignite the fires of inflation. In that bill, for every job it will cost the Federal Government $25,000.

I think the better way to solve unemployment is to make certain that the private sector of our economy, where five out of every six jobs exist, gets some inspiration and some incentive and, if the Congress would pass the tax proposal that I recommended, we would be a lot better off than this, I think, inflationary, so-called jobs bill.

FLORIDA PRIMARY ELECTION

[10.] Q. Mr. President, Senator Tower, of Texas, was in Orlando campaigning on your behalf earlier this week. During a news conference here, he said your candidacy could survive a loss here in Florida, but that Ronald Reagan's could not. The first part of my question is, do you agree with his assessment, and the second part is, what effect would a Reagan victory here in Florida have on your candidacy?

THE PRESIDENT. It would be a disappointment, because I think we are going

to do quite well here. But losing Florida—and I say again, I don't think we will—but losing Florida won't deter me one bit from continuing the effort right up to the last vote in Kansas City in August. I am going to be in this ballgame up until the whistle blows, so I think we are going to win in Florida. Even if we lose, we are going to keep campaigning, and we are going to keep in the ballgame, and we are going to get the nomination.

Q. As to a possible victory by your campaign here in Florida, what effect would that have on Ronald Reagan's candidacy?

THE PRESIDENT. I am not really the best judge of what the former Governor will do. I think it will be a very serious disappointment to him, but I would not want to prejudge what his actions might be subsequent to that.

JERRY THOMAS

[11.] Q. Mr. President, Governor Reagan's Florida campaign manager said this week that you were trying to buy votes by offering an administration post to a prominent Florida conservative, Jerry Thomas, who endorsed you this week. Have you offered him a post, and what is your reaction to the Reagan campaign's charge?

THE PRESIDENT. I first want to say I have known Jerry Thomas for a long time. I campaigned with him when he ran for Governor several years ago. I was trying to help the Republican Party down here in Florida. He was the candidate for Governor. I was impressed with him then and I have been impressed with him all along.

We talked to him some months ago about joining the Ford administration. It looks like such a possibility will take place. I think he will make an excellent top executive in the administration, and I am very honored and very pleased with his endorsement because I think he is a successful State legislator.

He was a good candidate for Governor, and he has been a very successful businessman, and I think we will be lucky to get him, and I am very pleased with his endorsement. I think the charges by some campaign manager are completely without foundation.

U.S. FOREIGN POLICY

[12.] Q. Mr. President, all of the candidates who have campaigned in central Florida have criticized your policy, the administration policy, concerning détente with the Soviet Union. And, in particular, Mr. Reagan said last week the only thing détente has accomplished is our ability to sell Pepsi Cola in

Siberia. Just how do comments like this affect the conduct of American foreign policy?

THE PRESIDENT. First, let me say I am very proud of the accomplishments of our American foreign policy. We are at peace. We are at peace because we are strong. I have submitted strong, affirmative Defense Department budgets to the Congress so we will stay strong. With that kind of military capability, we have been able to implement a policy of peace with strength in foreign policy.

Since I became President 18 months ago, we have strengthened our alliance in Western Europe. It has never been better. Our relations with Japan, a very important ally in the Pacific, are excellent. We have been able to reaffirm our relations with our many other friends around the rest of the globe.

We have made tremendous success in diffusing the volatile situation in the Middle East. We were able, because we were strong, to have the confidence of both Israel on the one hand and Egypt on the other. That is a tremendous stride forward under this administration in foreign policy, and we will make other successful efforts in that area.

We have maintained a growing relationship with the People's Republic of China. At the same time, we have been able to negotiate with strength with the Soviet Union. We are negotiating right now to put a cap on the nuclear arms race. If an agreement is reached, it will be an agreement beneficial to us, equally beneficial to the Soviet Union. It will be an agreement that will keep our powder dry and not put our finger on the nuclear trigger, and it will relax tensions between the two super powers.

That is the kind of a foreign policy that is in the best interest of the United States. I won't comment on any rhetoric concerning a policy that has been successful. I am proud of it. I think most Americans are proud of it, and they should know that it will continue—a policy of peace with strength under the next 4 years of the Ford administration.

CAMPAIGN TACTICS

[13.] Q. Mr. President, do you feel like the comment, however, by Mr. Reagan, in particular, violates the so-called 11th commandment that he has pledged to abide—that he will not speak evil of you during the campaign?

THE PRESIDENT. Well, things get disappointing, and I think people forget what they might have said at one time, and so it does not bother me. I just

want the public to know we have a good foreign policy. We are going to keep it good, and we are not going to worry about some campaign rhetoric.

REPORT OF HOUSE SELECT COMMITTEE ON INTELLIGENCE

[14.] Q. Mr. President, do you agree with Secretary Kissinger's comment that the House Intelligence Committee report represents to him a new brand of McCarthyism?

THE PRESIDENT. I think that is a fairly accurate description. I think that that committee report, which the House of Representatives said should not be published by better than a 2 to 1 vote, having been leaked, is an unfair, unjust way to criticize an individual or a policy. And I think it certainly falls within the parameters of McCarthyism.

Let me just add this: Under this administration, we are going to have a strong intelligence community, and we are not going to permit the Congress to dismantle America's intelligence community.

You were going to ask another question?

CREATION OF CONGRESSIONAL INTELLIGENCE COMMITTEE

[15.] Q. I was going to ask you if you agree with the proposal for one intelligence oversight committee for Congress?

THE PRESIDENT. I am going to make some recommendations to the Congress very shortly involving the entire intelligence community. But I should say that over the years, I have been very sympathetic to a joint House-Senate intelligence committee. I am not saying we are going to recommend that, because that is a prerogative of the Congress, not a prerogative of the executive branch. But I think there is much merit to that proposal.

FORMER PRESIDENT NIXON'S VISIT TO CHINA

[16.] Q. Mr. President, were you made aware of former President Nixon's visit to China before and, if so, how? And, also, does that visit have any effect on U.S. foreign policy with China and the Soviets?

THE PRESIDENT. The day that President Nixon called me and told me that he had been invited as a private citizen to the People's Republic of China—I had heard some advance notice that day, but I got the specifics on the phone call that he made to me in mid-afternoon that particular day.

He is going as a private citizen at the invitation of the People's Republic. I have said before and I will repeat here, I have no particular reaction, pro or con, concerning that private visit.

U.S. FOREIGN POLICY

[17.] Q. If we could talk about détente again, do the statements made by your opponent and some of the Democrats and, in particular, Henry Jackson—do they adversely affect U.S. foreign policy?

THE PRESIDENT. I think nitpicking of an American foreign policy does not help, although I think our allies understand what is going on. They have lived through American political campaigns before. All we can do is to talk affirmatively and deal straightforwardly with our allies as well as our potential adversaries. I think it would be better if it was not made a campaign issue, as some are making it, but we have a free country, and if they want to make it a partisan political issue or a political issue, they can do so. But I want American people to know that we have a good foreign policy. We are going to keep it up by peace through strength.

Thank you all very much.

NOTE: President Ford's twenty-sixth news conference began at 4 p.m. at the Sheraton Orlando Jetport Inn, Orlando, Fla. It was sponsored by Sigma Delta Chi, the Society of Professional Journalists.

In his opening remarks, the President referred to Joseph J. McGovern, president of the society's Orlando chapter, and Representatives Louis Frey, Jr., chairman of the Florida President Ford Committee, L. A. (Skip) Bafalis, and C. W. Bill Young.

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Remarks at a President Ford Committee Reception in Orlando, Florida. *February 13, 1976*

FIRST, I want to thank Lou, Skip, Bill, Paula, and I want to thank all of you. I can't express my appreciation and gratitude adequately. I have heard rumors to the effect that I did not have any volunteers, that we had a hard time finding people who were interested in going out and working hard on a voluntary basis. I have heard rumors that our organization just did not exist. I never believed it in the first place, and this is the best proof right here that we have got it. So, let me just say thanks again.

Now, I know this is a hard job. It takes a lot of time making phone calls, going door to door, distributing material and all the footwork that you have to do. I have done it. In fact, I was thinking as we drove over here, I got involved in a Presidential campaign first in 1940 on behalf of Wendell Willkie. And I did on that occasion just what a lot of you are doing. And so I know that a little shoe leather and all the other things—it does make a difference. And what you are doing and what you have done and what you will do will make a difference.

And I thank you very much for just the fact that you are here, but even more importantly, the fact that you are interested in good government and you are interested in good programs, and you are interested in the future of this country.

Now, if I might take just a minute. I was also thinking, flying down here, back to August 1974. It was a great responsibility that fell on my shoulders. We had a traumatic experience in this country. We had to reestablish public trust and faith. We had to meet the problems of a domestic economy where prices were going up and everything else was going down—employment, all the other industrial problems that we face.

We had the problem of our allies not being certain or positive what kind of job a new President would do—and the solidarity of our alliances around the world involves the peace and security of this country. It has a big impact on the peace and security of the world.

But ever since August of 1974 I have been very fortunate. A good many Americans prayed, a good many Americans understood the traumatic experiences we had had. A lot of fine Americans went to work.

So, we are coming out of all those sad experiences. We are making great headway, whether it is in getting more people employed—some 2,100,000 more Americans employed today than last March—with the unemployment going down and the employment going up.

We had some great news today. You know inflation is an insidious factor in our society. We got a report today that the Wholesale Price Index showed no upward movement at all, so for the last 3 months we have actually had a downward trend in wholesale prices.

This is the kind of news we want to have—a strong economy. It will add to the public confidence that is returning generally. So, I think we can look down that road and say that the path is going to get rosier and rosier for 215 million Americans.

But if we are going to have a strong society and a strong economy at home, we have to be strong as we meet our challenges abroad. As Lou and Skip and Bill know, I have submitted to the Congress the biggest, the best defense program this country has ever had. And they will help me get it through the Congress. Then, we can continue a policy of peace with strength, which is what has been successful as we have reassured our allies, whether they were in Western Europe or in the Pacific, and have kept our negotiating capability with our adversaries, whether they are the Soviet Union or the People's Republic of China.

So, we are really making headway. But we have got some other problems that I think have to be faced, too. We recognize that we have to have government—local, State, as well as Federal—but I want to get the government off your back to the extent that we can and yet have the government do the job that it has to do.

One of the guiding things that has always affected me—it's summarized in a sentence or two. Some of my staff give me a bad time because I use it, but I think it really says in a few words what it is all about. I feel it very strongly and very deeply, and let me put it this way: We should never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

So, as we move our private sector—that is where the jobs are—as we get a handle on inflation, as we meet the challenges internationally, I think we can say America has got a great future, as it has had a great past. The things that are going to come, whether it is in science or technology, the things that are going to come through individual initiative, the things that are going to be good for the young people here will be much better than the things we had in my day and age.

We made a lot of progress, but our kind of government stimulates progress, and we have got to keep this government so that we can give to those generations—our children and their children—a good America.

And as I close, let me just say this: We have gone through difficulties, we have had some hard decisions to make, we had to work extra hard, all of us, and all of you—but when you come right down to the bottom line, I am proud to be an American, and I am proud of America just like you are.

Thank you very, very much.

NOTE: The President spoke at 5:30 p.m. at the Orlando Jetport. In his opening remarks, he referred to Representatives Louis Frey, Jr., chairman of the Florida President Ford Committee, L. A. (Skip) Bafalis, and C. W. Bill Young, and Paula Hawkins, Republican national committeewoman for Forida.

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Exchange With Reporters on Arrival at Ft. Lauderdale, Florida. *February 13, 1976*

WE HAVE had several meetings up in Orlando, and it is great to be in Ft. Lauderdale. I have been here many times, and I have many, many friends here, as I do elsewhere in Florida.

We are very optimistic, but it is nice to see such a warm welcome and have so many nice people out here saying hello and wishing me well.

REPORTER. What kind of shape do you think the party is in, sir, in Florida—the Republican Party?

THE PRESIDENT. I am optimistic about it, of course. I am sure it is out-registered, but philosophically, I am certain that the Republican Party and its candidates will do well.

Q. You said recently the candidacy of your opponent was divisive to the party. Do you think your visit here will alter that or change that?

THE PRESIDENT. I don't think it is too divisive. It is a good contest. I am running on my record, and I think it is a good record, and I think it conforms with the moderate Republican philosophy that is necessary to win. Anything to the extreme right of that philosophy can't win a national election. So, I think my philosophy, my record, is what is good for the Republican Party, and I think it is good for the country as a whole.

Q. Sir, there has been talk that there really is not that much difference between yourself and your opponent, that you are both basically conservative in your ideology. What are the differences as you see them?

THE PRESIDENT. I am a moderate, middle-of-the-road Republican. I believe in fiscal responsibility. I believe in a strong national defense. I don't think I should pass judgment on former Governor Reagan's record or his statement.

I will run on my record, which I think conforms to the middle-of-the-road American viewpoint today, and it has proven to be a good record for the country, and I will run on that record.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 7:23 p.m. at Ft. Lauderdale International Airport.

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Remarks at a Briefing on the Budget in Ft. Lauderdale. *February 13, 1976*

Mayor Shaw, Congressman Louis Frey and Congressman Bill Young and Congressman Skip Bafalis, distinguished guests, ladies and gentlemen:

It is really a great privilege and honor to be here in Ft. Lauderdale. I am sorry that my good friend, Herb Burke, couldn't join us tonight. Unfortunately, he is laid up with a slight bout of the flu—so he is here in spirit if not in person.

Let me say it has been a great day in Florida, and it's good to be back here in Ft. Lauderdale. I am especially glad to have this chance to talk with all of you because in my 27 years in the Federal Government, it has made me very aware of the communications gap that sometimes exists between Washington and other parts of the United States. Too many Americans have difficulty making their views and their wishes known to the people with whom they must communicate in Washington.

This difficulty was probably best summed up in an envelope that I received at the White House a few weeks ago. It was plaintively addressed, and I quote: To President Gerald R. Ford, or Vice President Nelson Rockefeller, or Secretary of State Henry Kissinger, or just plain anybody who will listen. [*Laughter*]

Today—or tonight, I should say—I am here to listen to your questions about my budget for fiscal year 1977 and answer them as completely and as totally as I possibly can.

As citizens of Florida, I think you have a very special understanding of what my budget is all about. The story of your great State is a story of spectacular growth. No one knows better than you the opportunities made possible by such growth. At the same time, no one knows better than you the problems that growth can bring. And frankly, the story of the Federal budget is the same thing.

The Federal Government has served Americans and made our lives more secure in many, many ways—from a strong national defense to social security—but unchecked growth, unchecked growth in Federal spending poses a threat to our economy and to the very people whom the Government is supposed to protect.

We must keep Federal spending within reasonable and affordable limits. At the same time, it is plain foolish to lump good Federal programs along with the bad. As an example, the general revenue sharing program has proved a very effective way to serve the American people. As for administrative costs, they are—and this is almost unbelievable—they are just one-twelfth of 1 cent of every dollar that is handled. That is an amazingly good record.

The Federal revenue sharing administrative personnel, that will disburse this year approximately $6 billion, totals 100 people. That is an amazingly good record in the handling of that much money going back to the States and to local units of government.

Revenue sharing combines the efficiency of the Federal revenue system with on-the-spot judgments of local government. And as you can see from the

chart on my right, Florida will have received $900 million in general revenue sharing funds under the current program ending December 31, 1976.

This money has gone directly, with a minimum of redtape, to your State government, to your county and city governments. That money has helped to hold down local and State taxes. It has helped to fight crime. It has helped to educate children.

If this money were cut out, the inevitable result would be higher local taxes or reduced services or both. Revenue sharing is an excellent example of a commonsense way that the Federal Government can help people in all 50 States. That is the sort of strength that I would like to draw on, and that is why I have proposed extending, as well as increasing general revenue sharing payments to State and local units of government.

As you can see, under my budget proposals, Florida will receive almost $1,250 million from 1977 to 1982. Bringing it closer to home, over that period Broward County would receive over $15 million, and the city of Ft. Lauderdale would receive $12 million. That is almost 50 percent more revenue sharing money than they will have gotten under the 4-year program ending this calendar year.

In my budget, I also have proposed tax incentives to spur capital investment in areas of high unemployment. I want to encourage industry to build new facilities to create lasting jobs. Such investment will help to build a broader, more diversified economic base in hard-hit unemployment areas like your own.

We are already on the right track. The rate of inflation has been cut almost in half, and nearly all of the jobs lost during the recession have been recovered.

Let me tell you of some good news on the inflation front that was released this morning by the Department of Labor. The Wholesale Price Index, of course, has a substantial impact on the Consumer Price Index. The figures released this morning show that the Wholesale Price Index had no increase whatsoever. The report for this month followed the one of last month, which showed a 1.6-percent reduction in the Wholesale Price Index, and the month previous, it showed no increase whatsoever. So, for a 3-month span or one-quarter of 1 year, we have had a net reduction in the Wholesale Price Index.

To stay on the right track, I would like—and insist, as a matter of fact—to hold down the cost of living. And we can hold down the cost of living by holding down the cost of government. I want to foster a climate of sensible economic growth where jobs will be created by the demands of our economy,

and this budget represents my view of what the Government can do and should do.

When I speak of millions or billions of dollars, I see more than a number of zeros. I see those figures in terms of people and in terms of what this money, which comes from the people, can actually do for the people. We must very carefully control and husband Federal spending, but we must do this by eliminating Federal programs that don't work and improving those Federal programs that do work.

We just can't dump them wholesale in the laps of local government and say, "Okay, fellows, you find the tax money to pay for them." With a realistic and very responsible approach, we can provide a new balance between government and the individual citizen, a new balance between State and local communities and the Federal Government, a new balance between those who pay taxes and those who benefit from them.

My budget is a commitment to constructive action. I want to achieve a better, brighter life for all Americans, the sort of life that brought so many Americans to your State of Florida.

And now I will be glad to answer your questions.

Q. What we are concerned with is the timeframe of the revenue sharing. We couldn't agree more with what you said about it, but I understand that it is stalled in the intergovernmental relations subcommittee in the Congress. What can we do to get going? When we heard Mr. Mills'[1] speech at the National League of Cities last November, he was quite pessimistic about passage of general revenue sharing. What are the odds for action?

THE PRESIDENT. I think you raised a very, in fact, a very fundamental question. The present law expires December 31, 1976. Last July, I urged the Congress, in a special message to the Congress,[2] to act on the legislation last year. We have been working with the House and Senate committees, trying to get them to hold the hearings and to report the bill and to get action on the floor of the House, as well as the Senate.

There has been, I think, unfortunate, unconscionable delay. If we all join together—we in the executive branch of the Federal Government and you at the local, as well as Governors at the State level—we can get Congress off of dead center.

But they are not moving, so it is going to take some concerted action. I have asked Vice President Nelson Rockefeller to head up a task group in the

[1] Representative Wilbur D. Mills of Arkansas was Chairman of the House Ways and Means Committee.
[2] See 1975 volume, Item 214.

Federal Government to work with Governors and local officials to put pressure on the Congress.

It is a proven program. All they have to do is simply extend the date from December 31, 1976, to 1982. I think we are making some headway. But, believe me, if all of you in the State of Florida would join with your friends around the country and join with us, we can get the Congress to move. But, time is essential.

Oh, I know they say we have got lots of time; it doesn't end until December 31. Now, I don't know what the circumstances are in Florida, but I was talking to some mayors from Ohio the other day, and under their State law they have to have their budget for the next calendar year in writing by July 1 of this year. So, if they don't have a general revenue sharing law on the statute books, they can't include that proposed revenue for the next calendar year. And so what they are faced with is, if Congress sits on its haunches and doesn't move, they either have to cut services or they have to raise taxes, and I don't think that is fair to mayors and to Governors across the country.

So, twist a few arms and get them moving, because this program has worked, and it ought to go for another 5½ years.

Q. Mr. President, I'm Jack Moss from Broward County, Florida—county commissioner. Many of us in local government are concerned about the impact that the Federal budget may have on health and social welfare programs at the local level. Could you please tell us about your proposals to the Congress?

THE PRESIDENT. At the present time, the Federal Government provides something slightly under $10 billion in various health programs throughout the country. It is provided through 15 different categorical grant programs, which means there are 15 different agencies or sub-agencies that have a piece of the action, and the net result is you have a very heavy administrative burden and cost. And the net result is the recipients of that Federal money for health doesn't get well delivered.

So, we have recommended what we call block grant health delivery services, so that the money will go from the Federal Government to the State government with a pass-through for a proportion of the amount to local units of government. We think this will simplify it. It will provide a far better delivery system to the beneficiaries or the recipients, and we no longer would require, under my proposal, any matching funds. And we have recommended $10 billion, which is slightly more than in the current fiscal year, and we propose another $500 million for the following fiscal year.

Now, I think this illustrates why the current categorical grant programs don't work. This is what I call a mess chart. Now, what it shows is—I was wrong, instead of 15 categorical grant programs, there are 27—but that shows how the money goes from each subdivision of several Departments and eventually gets down to the poor recipients.

The administrative cost is unconscionable. What we want to do is give a block grant to the State of Florida with a pass through to the local units of government, so that the people down at the bottom who we are trying to help will get better delivery of what Uncle Sam wants to do for them in the way of health programs.

You know, that kind of looks like one of these computer things that I don't understand and, frankly, I don't understand that either, except I know it doesn't work. [*Laughter*]

Q. I think that is the reason for my concern.

THE PRESIDENT. Let me give you an illustration of 2 years ago. We got through the Congress a consolidation of urban renewal and all those programs. There were seven of them. They compressed them into one, a community development grant program.

Previously, when they had the categorical grant programs, they had 2,300 Federal employees handling it. Now, if my memory serves—is correct, they have less than 300, and the cities get far better service. You have more flexibility. You get the same money. In fact, in the community development program for the next fiscal year, I recommended $440 million more, so you will not only be held harmless, you might do better. But we can do that with less overhead, fewer employees, and far better cooperation with all of you at the local level.

Q. Thank you, Mr. President. I think that is the reason for my concern.

THE PRESIDENT. Thank you. We're going to try to remedy that. Help us.

Q. Mr. President, my name is Eason Dobbs, I'm from the city of Ft. Lauderdale. My question is: People say that we were taken by the Russians at Vladivostok—what is your opinion of that agreement?

THE PRESIDENT. Anyone who says that doesn't know what he's talking about. What we did at Vladivostok was to get a cap on strategic nuclear launches—2,400 for us and 2,400 for the Soviet Union. And, incidentally, they now have more than 2,400, so they have to cut back; we have less than 2,400, so we can go up. So we got them to come down, and it gaves us flexibility to go up. But we put a cap for a tentative period to 1985.

We also got an agreement for equivalency in what we call MIRV's—of 1,320. Here we were ahead, but not up to 1,320. But they were behind, but their pro-

gram would put them significantly over 1,320. So we've gotten a cap on their growth of their program, and it puts equivalent MIRVing capability for them as well as for us. This is a good agreement. It provides for equivalency. It provides for a cap so that neither country has to spend more money than what is authorized for strategic nuclear arms. It gives both of us adequate deterrence because nobody is going to use all that power. It would be foolhardy, and anyone who says that that's a bad agreement just doesn't know what he's talking about. I happen to think it is better to keep your powder dry than to have your pistol out and launch an all-out nuclear holocaust.

Q. Mr. President, my name is Ron Sanson, city councilman from Del Ray Beach, Florida. Sir, first off I would like to take this opportunity to commend you and thank you for vetoing the common situs picketing bill and, secondly, then, I have a question concerning the revenue sharing, which is really two questions.

In talks with our Congressman, U.S. Representative Paul Rogers, and with our U.S. Senators, Mr. Chiles and Mr. Stone, previously they have indicated to me some concern on, of course, whether or not they can vote for a reenactment of revenue sharing. And they base this concern on two facets which I would like you to comment on.

The first is that they feel that most definitely there is perhaps a tremendous discrepancy in how the funds are disbursed and whether these are equitable to various parts of the country. It was shown to me by Congressman Rogers that Palm Beach County and, particularly, my city—we have very, very small proportions given to us.

So, I am asking whether there is anything that is going to be done to make more equitable distribution of funds, and secondly—and I am sure I am going to draw some wrath from some of my comrades here—I have had a hard time accepting that in good conscience we can come before the Federal Government and ask for the reenactment of revenue sharing when we are facing, I assume, what is a $65 billion deficit.

I certainly think the program is one of the best. It certainly deserves reenactment. But I wonder if it is, like, last on the priority list—whether we have the right to come forward and ask to increase the Federal deficit.

THE PRESIDENT. Let me answer the first question initially. In 1971 and 1972 when general revenue sharing was drafted and enacted, the Governors, the mayors, and the county officials got together and agreed on a formula, and that was mandatory. Otherwise, there would not have been sufficient unanimity to get support for the legislation. But the representatives of the 50 Governors, repre-

sentatives of the mayors and the county officials got together with Members of Congress on the respective committees and actually worked out a formula.

I know that there were some inequities, and I had some trouble with some of my local constituents back home when one city got a certain amount and the next city got a different amount. But this is a very complicated formula that has three basic ingredients: One, it depends on population; two, it cranks in a factor related to the number of disadvantaged; and, three, it has a factor of tax effort. And if you take those three factors and factor it into a single formula, and that is how the funds are distributed.

Now, the cities—those who are disadvantaged—do get a slightly higher amount. Those communities that have a higher local tax effort get a little higher amount and, obviously, those that are larger get a significantly greater amount, depending on the population.

Now the question is raised, should they change the formula? I suspect that if we tinkered with the formula so that your community would get more and the one next door would get less, Paul Rogers would have as many problems with the people that got less as he would with you. I know a little bit about how you have to handle those problems. [*Laughter*]

So, the best general view is that this formula, having been worked out by the three people, or three groups I mentioned, is the best possible one we could get. And if you start tinkering with it, you will probably only help those people who don't want the program anyhow. That is what will happen, and time is running out.

Now, to turn to your second question. Yes, the Federal Government has got a deficit of $70 billion this year. It is too high. On the other hand, if my budget is enacted by the Congress, we will have a deficit of about $41 billion in the next fiscal year, which is roughly half of the present one, and we will have a balanced budget in 3 years, which means——

What I am saying is the revenue sharing legislation is a 5¾-year package. If we do what I have recommended in the budget for fiscal 1977 and the succeeding years, even with general revenue sharing we can have a balanced budget in 3 years. And the prospects are we could have one in the succeeding year, which would give us an opportunity for another Federal tax reduction when we get to that balanced budget position.

So, it is a combination of getting a program that gives certainty to State and local units of government—and, as you said, it is one of the best, if not the best program the Federal Government had—and at the same time gradually restrain

the growth in our Federal spending and have our revenues increase, as they do, as our economy improves.

Q. Mr. President, I'm Andrew DeGraffenreidt, commissioner of the city of Ft. Lauderdale. I am concerned about job opportunities for Americans. I noticed in the recent issue of U.S. World [U.S. News-World Report] there are 8.7 percent of Americans out of work. Do you have any view in your particular budget whereby we can put Americans back to work?

THE PRESIDENT. Let me give you the figures, as I understand them, from the Department of Labor. In December, we had unemployment of 8.3. In the figures for January, they dropped to 7.8. This is a half a percent drop which resulted in 800,000 more people being gainfully employed. Now, 7.8 unemployment is still far too high, but the trend is in the right direction. Unemployment is going down; employment is going up.

I believe that the best way for us to solve the unemployment problem is to give an incentive to the private sector. Five out of six jobs in this country are in the private sector, and what we should do is to get the private sector moving so employment, the slack in unemployment will be overcome. I am confident with the trend that is going at the present time, with the incentives we have for the private sector, you are going to see unemployment continuously going down.

Now in the meantime, I think the Federal Government has an obligation to carry on responsible programs, such as the highway program, and we are going to spend more money on the highway program in the next fiscal year than we have in this current fiscal year or the previous fiscal year.

At the same time, I have recommended an increase in spending for public works projects, the ongoing projects, the ones that are not quick fixes but the ones that have been well thought out and have been available for construction for some time.

At the same time, I have increased the water treatment and sewage programs as far as the Federal Government, so we will spend more money in fiscal year 1977 for these kinds of construction projects. In fact, it is 60 percent more than the current year, 90-some percent more than a year ago. So, whether it is highways or public works or water and sewage treatment plants, the Federal Government ought to do those things that build America, and we are.

Now, there are some other programs. You are familiar, I trust, with the Comprehensive Education [Employment] and Training Act—CETA. I have recommended full funding for that program for the next fiscal year, and we are full funding it this year. We hope to phase it out as the economy gets

better, but in this current economic problem, I think we ought to continue CETA. It is not the best program, but it is a stopgap on a temporary basis.

I have recommended for next summer, this coming summer, the full funding for the summer youth program. That, I think, is a good stopgap during this period when we need to help the youth in this country, particularly minority youth, in summer employment. So you have to have a combination. But the prime emphasis should be on the private sector with tax incentives, improving the economy, good public works projects plus the CETA program plus unemployment insurance for those who want a job but, unfortunately, can't get one.

Q. Mr. President, I'm Richard Linn, mayor of West Palm Beach. You recently vetoed the $6.2 billion public works program.

THE PRESIDENT. I did it this morning.

Q. Right. If the Congress does not override the veto—and this is a program that greatly affects the construction industry in our area—as you know, we have a tremendous amount of unemployment in that area—if they don't override that veto, how would you feel about transferring the approximately $6.2 billion in CETA which you have just alluded to into a public works program of the same, or similar to the nature of the one that was vetoed?

THE PRESIDENT. I don't think there is the flexibility under the law for CETA to transfer it from CETA to a public works program.

Q. Perhaps I should rephrase that—not transfer it, but stop CETA, which only has another 18 months to go, and move that money into the public works program.

THE PRESIDENT. Let me tell you what the basic problem is with that $6.2 billion so-called jobs program. In the first place, the Federal expense for the jobs in that project is $25,000 for every job. It is an abnormally high cost. What it would do would be to add $6.2 billion to the Federal deficit, because it is a program over and above the budget recommendations that I made. And if you add that much more in a deficit, you are undoubtedly helping to reignite inflation forces, whether it is wholesale or consumer price index.

As I was saying to the gentleman that spoke just before you, we have got the biggest public works—EPA and Bureau of Reclamation and Army Corps of Engineers and the highway program—that we have had for the last 3 years, to my knowledge. And I think those projects and those programs that are already on the drawing board or in the process of construction are a better way than some programs or projects that are pulled out of a hat at a high cost of $25,000 a job. I just don't think it makes sense.

Now, let me tell you what we have, or what I said in the veto message today. There is a proposal in the Congress to add roughly $600 million or $700 million to the present community development program, which would add to the funds of those cities that had high unemployment, which would give those cities that had high unemployment added money to undertake local construction projects.

I think if my veto is sustained, I could support that kind of an alternative. It is a quicker way. It is a better way, and it is $5 billion-plus less money. So, I think it is a better choice.

Q. Mr. President, I'm Kathleen Wright, a member of the school board of Broward County. My question is: In view of the increase in revenue sharing at the local level, what is going to happen in the direct-funded programs in the area of education from the Federal Government? In other words, what are we going to have to give up in order to get some other money under revenue sharing?

THE PRESIDENT. You are not going to have to give up anything. As a matter of fact, in the budget—and here is a copy of it—I have added $150 million to the primary and secondary education funding program. But I want to add this. I could show you a mess chart for education programs just like this one from the Federal Government. It would have 15 programs, and it would be just as big a mess as this one is.

Now, I have recommended that we take primary and secondary education, that we take vocational education, that we take aid for the handicapped and library programs which total roughly $3,300 million, add $150 million to it and have a block grant program. I think that is a far better way of getting Federal money from Washington to Gainesville or to Tallahassee—to your community—so that you have flexibility in the decisionmaking process as to where and how you want to put that money. Now, we would require that 75 percent of that total money would go to the disadvantaged under the definition, but it would do away with 15 programs and have one program.

Q. So the money will come to the States and then to the local government as part of the revenue sharing, and then the school districts will get their portion of that?

THE PRESIDENT. That would be an automatic passthrough, and it would give you the flexibility to make your decisions at your local school board level.

Q. President Ford, Your Honor—Dr. Sweeting. I was to the last time that the Government grants was issued to the different organizations, and I was sitting in for quite a few people. And to my surprise the way their grants

was given out—I really didn't understand it. It looked like so many people what needed to be helped—they had no help at all. And I'm not seeking no help for myself, but lots of organization was fully able and had papers and everything for their organizations to receive some of that Government grant, but they didn't receive any at all.

It was very embarrassing—to the whole thing. It looked like everything was cut and dried before the meeting started.

And tell Senator [Congressman] Burke that I said hello—Dr. Sweeting—when you go back. Thank you.

THE PRESIDENT. I am not sure, sir, that I understand the question. Is there an appeal being made on behalf of——

Q. Well, quite a few of us made an appeal because so many of them was vetoed at the meeting. They went ahead and talked. They wouldn't listen to them. They just walked out.

THE PRESIDENT. What particular program were they referring to, Doctor?

Q. Well, some was the manpower and different other organizations that really I don't—but they were on the agenda for some of the grants, but they didn't receive it.

THE PRESIDENT. Well, if you would be so kind to put some of these questions in writing, we could look up specifically and find out why this organization or that organization didn't get the grant. And we would be glad to respond and communicate with you, sir.

Q. I will be very happy. I communicate with Mr. Burke each time he comes down here.

THE PRESIDENT. Well, I'll talk to Congressman Burke and find out.

Q. Dr. Sweeting—he knows who I am. Thank you.

THE PRESIDENT. All right, thank you, sir.

Q. Mr. President, my name is Ernestine Turner, EEO director for Broward County government. I would like you to give me a general observation of the Federal revenue sharing as allotted to migrant education and for migrant workers and farmworkers throughout the United States.

THE PRESIDENT. The general revenue sharing is not earmarked for any particular program in a State or in a local community, a county or a city. There are some broad guidelines—I think there are six broad guidelines given—that are supposed to be followed by the local or State government. But there is no definite allocation when the money goes to Ft. Lauderdale or to Broward County or to the State of Florida.

There are other programs, however, that are aimed at helping the educational problems related to migrant workers, but they are not included within the general revenue sharing program.

Q. Is that good?

THE PRESIDENT. I think the concept of the general revenue sharing is to help a local or State unit of government meet its financial problems and for the decisionmaking at the local level. But at the same time, the Federal Government does recognize that the migrant worker education problem is a serious one, so there are certain programs that focus in directly on that. But I don't think you ought to write into the general revenue sharing specifics as to how the money ought to be spent, or it's not general revenue sharing.

Q. Well, I spoke of that in general, simply because I think there is a diminishing of funds in that area when it comes to migrant education programs and farmworkers.

THE PRESIDENT. In the education block grant program that I talked about a minute ago—which is different from general revenue sharing—there would be money to help the migrant labor education problem, including money for bilingual education, et cetera. So there would be money either in block grants or categorical grants for that specific problem.

Q. Mr. President, I'm Fred Maley, the city manager of Bal Harbour. I have a general question here, sir. Your Federal budget for this year shows in excess of a $75 billion deficit. Your projected 1977 budget, which you are promoting tonight, shows in excess of a $55 billion deficit.

THE PRESIDENT. Let me correct you. It is $43 billion.

Q. That is counting the cuts in the trust fund. The operational funds show in excess of $55.5 billion deficit. And it also shows a total budget deficit at the end of fiscal 1977 of over $700 billion, $720 billion.

THE PRESIDENT. $720 billion of what?

Q. That is what your projected Federal deficit is at the close of fiscal 1977.

THE PRESIDENT. No, you are talking not about the deficit, sir. You are talking about the Federal debt.

Q. Debt, yes, sir. That is what I meant, sir. You also show personal income taxes increasing by $23 billion, the largest single jump in the last decade. Looking at these pages, 56 and 57, we see a trend that is steadily and increasingly downhill, and I just don't see how our Federal Government is going to turn this around into a balanced budget in 3 years with these kinds of statistics.

THE PRESIDENT. Well, if you will take a look at the full budget—you have the Budget in Brief there—you will see that for the current fiscal year there

will be a $73 billion deficit. Next year we are forecasting a $43 billion deficit. I think the next year it is $19 billion, if my memory is correct, and the next year it is balanced.

Now, these are figures that are put together by the experts who make the projections based on the statistics that they spend their lifetime studying. Now, there is one factor that we can't crank into this—what the Congress is going to do.

Let me put it this way: In the bills that I have vetoed, which the Congress has sustained, we have saved $7½ billion, which is not a bad plus. On the other hand, there are some bills that I vetoed that the Congress overrode that added to the deficit. So, on the assumptions that we have made, with all the computers and the experts, the figures are accurate and I will stand by them.

Q. Mr. President, my name is Guy Bass, I'm a realtor. I'm chairman of our State Florida Association of Realtors public affairs committee. We are vitally concerned with the private property rights that are being taken away from individual citizens by our Federal Government, by our State government. We have been informed that there are probably over 600 bills in the Congress and the Senate and the different legislatures around the country that further limit the rights of private property without compensation, and this goes all the way back to the rights given us by our Constitution.

We are vitally concerned with these bills that are being proposed, being enacted. And I am sure you are familiar with some that are being proposed by Senator Proxmire. We are also concerned about our business. We feel that a lot of the small business peoples' rights are being taken away from us. For example, we understand that HUD is training approximately 60,000 people per year—are these figures correct?—to operate Government-subsidized building around the country.

Now, I would like your thoughts on these trends, how you can help us, and what your program is in connection with these matters.

THE PRESIDENT. In reference to the first point, I assume you are talking about the proposals for Federal land use legislation, is that correct?

Q. That is correct, yes, sir.

THE PRESIDENT. I am opposed to it—period. I think the State and local units of government can make better decisions as to land use in the State of Florida than the Federal Government can.

On the second question, I am dumbfounded by the statistics that you quote. I am certain they are not accurate. I can tell you why, because the Department of HUD actually will have slightly fewer employees, if my memory is correct,

in fiscal year 1977 than they have in fiscal year 1976, so it is not possible to have any kind of a mass increase in Federal employment for the purposes that you stipulated.

As a matter of fact, what we are trying to do not only in the Defense Department but in other Departments is to contract out to private industry some of these maintenance contracts on housing facilities, on Federal installations, which is just the reverse of what I think you were talking about.

I can assure you that it is not possible for that kind of an increase in Federal employment, for that reason. I became President in August 1974, and within 2 weeks after I was President, I issued an order that there should be a 40,000-person cutback in Federal employment.

I am glad to report that at the end of the fiscal year, as a result of the pressure, we had about 50,000 fewer Federal employees. And we have not increased the total Federal employment in the fiscal year 1977 budget. So, it is just not possible to have the kind of a situation develop that you describe.

Q. Thank you, Mr. President. I am glad to hear that, because we were greatly disturbed. A recent speaker brought this out to us, and he said out of these 60,000 people there was not one realtor. So I am very happy to hear that, because we love our profession and we love private enterprise and we know you are going to help us. Thank you.

Q. Mr. President, my name is W. Phil McConaghey, I'm a Port Everglades commissioner here in Broward County. I wonder if you are aware that there is a large percentage of middle-class America that wished we would maybe call a constitutional convention and change our form of government, maybe keep the Defense Department, the President—I am not too sure about the Supreme Court—the Justice Department and a few other necessities, and have everybody else in Washington turn out the lights and shut the doors and go home. And we won't have to send our $6 billion to Washington and have some bureaucrats collect one-twelfth of 1 percent of it. And that is the feeling that we have in the United States today, Mr. President.

THE PRESIDENT. Well, I'm not sure that that would work too well in some cases. The Federal Government does a great deal of good in the National Institutes of Health—in research on heart, cancer, arthritis. The Federal Government does a lot of research on energy for solar energy, for geothermal energy, for nuclear energy.

I just don't think the State of Florida or your community could handle that kind of a problem. I respect your point of view, if that is your point of view, but I just don't think it will work.

What we have to do is have the Federal Government run a good tight Defense Department, carry on the other legitimate areas, and work with the States and local units of government. But if you are suggesting that we do away with the National Institutes of Health or some of those very essential programs, I respectfully disagree with you.

Q. Mr. President, I'm George Patterson and I'm president of the Broward County Bar Association. Like Mr. Bass, I'm proud of my profession, and we are proud to have a lawyer as President of the United States. We have been talking about revenue sharing, and I want to mention something about revenue raising for south Florida.

As you well know, the price and the availability of gasoline seems to be very critical to our economy in south Florida. And I would like to know, sir, what steps your administration is taking to prevent an increase in the price of gasoline to the American consumer, and what is your opinion as to whether or not there will be an increase in the near future?

THE PRESIDENT. Well, we had a very substantial increase in the cost of gasoline and fuel oil following the Egyptian-Syrian-Israeli war in October of 1973, because of the oil embargo and the increase in price. Unfortunately, we are now importing from OPEC nations 40 percent of our domestic oil consumption—40 percent. It has gone up from 33 percent in the last 3 years.

They control the price. We don't control the price. That's why we have to have an energy program to stimulate domestic production and, in the meantime, we have to have conservation. But an interesting thing—if I could take just a minute—since 1972, our domestic oil and gas production has gone down every year. Today we are buying from overseas sources 40 percent of the oil that we use in this country, and it is going up every day. And we don't control that price.

Now, what we have done—it was not precisely the way I recommended it—but in a compromise, the Congress and I agreed on an energy program that I signed into law in December of last year.[3] What it does is, more or less, stabilize the price of gasoline and fuel oil for the first year. As a matter of fact, it might even dip a cent. And I understand in most areas of the country, it has dropped about a cent as far as gasoline in the last several weeks. But, anyhow, it is supposed to stabilize it.

But then, in order to stimulate domestic production, so we use our oil and not Arab oil, you are going to have some slight increases. You can't expect

[3] See 1975 volume, Items 741 and 742.

people to go out and drill wells if they are not going to at least get their money back. And if they are going to get their money back, they have to have some incentive. Now I know some people criticize that, but I would rather have that money go for jobs in America than for jobs over in the Middle East and the Arab countries.

Now, I think the Congress and I have agreed to a bill that will be helpful over a period of 40 months, will conserve more and produce more. In the meantime, we have got to deregulate natural gas. In the meantime, we have got to accelerate our research and development on solar, geothermal, and other exotic fuels, because if we don't, we are going to become more and more vulnerable to foreign oil sources.

I think we can keep the lid on for a year on gasoline prices, but it will probably increase slightly over the next 5 years, simply because we are buying 40 percent of our oil from Arab nations and they control the price, we don't. If we want the oil, we have to pay the price. The better way is to get our oil out of the ground and use it and keep the jobs here.

Q. Mr. President, during the last Federal census, our city fell just under the 50,000 mark in population, which did not entitle us to some of the Federal funds that are available for cities of 50,000 and over. In order to stimulate our economy, it has been desirous within the city to take a census ourselves that we could present to the Federal Government and prove that we have now reached the 50,000 level in order to get some of the funding that is not now available to us to stimulate our economy and create new jobs. And I just would like to know what you would think of an interim type of census?

THE PRESIDENT. Isn't there a provision that if you have an authorized interim census and the figures are verified and accepted that you can go from one category to another?

Q. We have not been successful.

THE PRESIDENT. It's my impression that is permissible. If it is not, it ought to be because there are unique situations. Certainly, in a State like Florida or Arizona or, maybe, California, where you have had great growth in a 10-year span, if there is not such an opportunity, you are penalized unfairly. So if there is not such permission available, it darn well ought to be.

Q. Mr. President, I'm Tim Lothrop from Hollywood, Florida. There is a great concern in south Florida concerning the Panama Canal and its treaty. I would like to know your position on that, sir.

THE PRESIDENT. Well, five Presidents and many administrations have been negotiating the situation since 1964, when they had the unfortunate killings of

about 26 Panamanians and about 10 Americans. Now those negotiations are very complicated. They are deadlocked. I can assure you that I will not do anything that will jeopardize the defense of the canal or the operations of the canal. I can't tell you whether there will be an agreement or not. I can simply tell you how I feel about it, and I will reiterate, that the defense and the operations of the canal are mandatory from our point of view.

Q. Mr. President, my name is John Lomelo, I'm the mayor of the city of Sunrise and I have two questions I'd like to ask you. Question number one: Is the United States or your particular administration going to stand fast by what Moynihan has—in the U.N.—has spoken out in a strong attitude for the nations around the world to start to respect us a little bit?

THE PRESIDENT. I selected Pat Moynihan. He was my appointee, and I selected him because he wrote an article in some magazine—I think it is called Commentary—where he said precisely what we ought to do. It appealed to me. I appointed him. He did exactly as he said he would and as I wanted him to, and I regret very much that he has resigned because he is a first-class U.N. Ambassador. But I sent him up there, and he carried out my policy. Now the man that will succeed him will do exactly the same thing.

Q. In other words, you are saying whoever goes there next will be echoing, basically, what Moynihan has been doing, speaking out as an American should speak out?

THE PRESIDENT. He certainly will. I am not sure he will be as flamboyant as Pat, but the substance will be precisely the same. And I reiterate, I put Pat in there and he carried out my policy, and the next one will do exactly the same thing. So don't worry.

Q. Second question, Mr. President. You were mentioning the fact we have no control because of the Arab prices on the Arab oil. We do have something that could be quite a control if we were to use it, on the domestic level, and that is food—wheat. Why are we, at this time, not using this commodity? Unfortunately, we shouldn't say, "Well, the people should not eat over there." I am not saying that. However, at the same time, they are saying to us that they are going to charge us for this fuel which our people need in this country for heat, for energy, right on down the line.

And you made the comment to deregulate the natural gas. Many communities will not be affected by the deregulation of natural gas. Some of us who have natural gas systems will be affected, because the price will go up. So, therefore, we are going to have to raise those prices to our consumers. So, why

can't we use the food in the stockpile, keeping the jobs here in this country, and until they bring down the price of oil, we hold back the wheat?

THE PRESIDENT. Let me make a comment, first. If you are in a community that is getting natural gas, that natural gas—and everyone I am personally familiar with, and I am familiar with quite a few—is on a contract with a producer, and that contract usually runs for a significant period of time at a fixed price. So you are not going to have your natural gas price increased, because it is under a fixed price with a producer today. But the ones that want new gas, they either have to buy fuel that comes from the Middle East or they can buy a cleaner fuel in the United States under deregulation.

Now, one other comment on the main question you asked. If we could just trade 25 million metric tons of food for the oil of the Arabs, that would be fine, but there are not that many Arabs that want to eat that much food. [*Laughter*]

Q. But they sure can't eat what oil they got, either, Mr. President.

THE PRESIDENT. There just are not that many that want that, so you can't do it on a one-for-one basis. I am all for using our food, which our farmers produce in such quantities. And we are very lucky, because if we did not have the American farmer producing that food, we would have a horrendous adverse balance of payments with the oil we buy from the Arab nations. Now, we ought to use our food for two purposes: number one, for humanitarian purposes and, number two, we ought to use it for the execution or the supplementing of our own national security policies. And we are doing both of it, and we are going to continue doing it.

Q. Mr. President, I am Bill Stevens, commissioner from Broward County. It is nice to see you, sir, in south Florida. We talked 2 weeks ago Monday in the White House. I thank you for the time that you gave us in the White House for the benefit of the counties and local government.[4]

Sir, I asked you then the question about social security and the percent cap. Would you please tell the audience here in south Florida there is no cap on social security, for me please, sir?

THE PRESIDENT. In the budget that I have recommended for fiscal 1977, there is no cap on the cost-of-living increases on social security. Whatever the formula provides, there will be an increase under the law for all beneficiaries of social security. I recommend it, and I strongly favor it.

Q. Thank you very kindly, Mr. President. Would you believe me, sir, if I told you we here in south Florida see a Ford in our future?

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[4] On January 26, the President met with officials of the National Association of Counties to discuss the State of the Union Address and the budget.

THE PRESIDENT. Thank you very much.

Q. Mr. President, I'm Carol Roberts, city commissioner from West Palm Beach, and this year—with a deficit budget—I would like to know how you feel about a national health insurance plan and, if one is passed, how it would be funded?

THE PRESIDENT. I did not recommend a Government-sponsored national health insurance program. I did not for two reasons.

Number one, I don't think that a national Government-sponsored health insurance program has worked very well as far as the patient is concerned in any country where it has been tried, and that is particularly true in Great Britain and several other countries. So, I don't think it is the best way to improve health care.

Number two, it would be very expensive, and I don't think we could afford it. But the principal reason I am opposed to it is that it has not worked, and I don't think it will work. Secondly, the cost would be substantial, and the Federal budget could not afford it at the present time.

Now, we have recommended under Medicare two things: One, that as far as Federal payments to hospitals and doctors, nursing homes—there should be a 7-percent increase in price or cost for hospitals and nursing homes and a 4-percent increase for doctor bill payments by the Federal Government to the categories.

Now, at the same time, I have seen enough—I have seen a sufficient number of tragedies involving catastrophic illnesses, and I suspect everybody in this room knows a family or knows a person who has had an extended illness, and if they had any resources, they were gone as they were bedridden with horrendous costs—hospital, nursing home and doctors for an extended period of time.

I think it is the greatest tragedy. As a matter of fact, there are about 3 million of those people who are today under Medicare—3 million out of 24 million. I have recommended that the Federal Government institute a program to take care of catastrophic illnesses and how would it be done.

It would be done by saying that no patient would pay more than $500 a year for hospital or nursing home care or no more than $250 a year in doctor bills. That is a flat ceiling and after that, Medicare would take care of the total cost. The individual under Medicare would make his payments as he is doing it today. And I think it is the right thing to do. It takes care of a critical, crucial problem that I have seen—some real tragedies all over the country.

Q. Sir, Mr. President, my name is Sonny Wright. I'm a realtor and a member of the board of governors of the Greater Miami Chamber of Commerce, one of the organizations which cosponsored the White House conference which you requested at the Diplomat Hotel. I would like to ask you two questions. The first is, housing, as we all know, is the biggest problem or at least it is one of the biggest problems that is facing the majority of the citizens in this country—and we made a national commitment to provide a decent home for every American citizen, and I think that we have made efforts along that line in forums such as the 235 program, for example, which was very unsuccessful for various reasons, the 236 program and the various other programs, section 8 which we now have.

Sir, I would like to ask you whether or not we could not perhaps apply a little bit of a commonsense approach towards the solution of some of these problems. For example, if we would simply extend the length of a mortgage that the average citizen would receive to 40 years, this in itself would make homeownership possible for a great number of people who otherwise would not have the benefit.

Another thing that I think is very obvious—at least in this area where we have a tremendous amount of houses, apartments, condominiums available with no takers—if we could take the section 8 program in this area, for example, and apply it to some of these existing newly constructed buildings, which as I understand are not eligible under the present regulations, this in itself would create housing for a lot of people in this area.

THE PRESIDENT. You are very familiar with the various programs we have had—235, 236, section 8, public housing, the whole thing. There are more than that, but those are the better known ones. Most of them really have not worked too well, some of them less well than others.

I think section 8, if given a fair chance—it being the newest one—will be the best approach. It is only actually less than a year old, as I recollect. The regulations under the new Secretary of HUD were out about a year ago, and I think we ought to give it a chance. Now whether it could be redesigned to meet the kind of particular problem you are talking of, I would have to talk to Secretary Carla Hills. I would hesitate to give you a quick, off-the-cuff answer.

Q. That was the purpose of my asking the question. So, I would hope that you would.

THE PRESIDENT. Well, if we can get your name and address, I will find

out from her why it is not done. And, if she has got a good reason, okay, if she does not, we will do it.

Q. It sounds good.

THE PRESIDENT. I have to talk to her first; she's tough. [*Laughter*]

Q. Yes, we know that, but she's good.

THE PRESIDENT. She is a very good, outstanding member of the Cabinet.

Q. Secondly, sir, you are probably aware that the Greater Miami Chamber of Commerce and the people of south Florida are in a process now of preparing a celebration for our Nation's birthday, which we plan to celebrate during the month of July, the whole month of July. Elaborate plans are being made presently to have this celebration covered nationwide. I understand that all three major networks will cover this, and we look forward to having a wonderful celebration in this area.

And even though I have not been authorized by anyone to do this, I just can't resist the opportunity to extend to you, sir, on behalf of the Greater Miami Chamber of Commerce and the people of south Florida, an invitation to participate with us—if your schedule will permit you—in this celebration during the month of July, and I am sure that we would be delighted if you would accept.

THE PRESIDENT. Thank you very much. I am grateful. Let me assure you that if the situation is such that I can do it, I would be delighted to come down to Florida to visit all of you who are celebrating that great circumstance, our 200th birthday. And we will look into that, too. You give me your name and address and we will answer the one question and we will try to answer the——

Q. You know our former president, Sidney Levine. I think you know him very well. I will tell him, and he will get in touch with you.

THE PRESIDENT. Okay. Boy, there's a promoter. [*Laughter*]

Q. Mr. President, my name is Van Poole, from Ft. Lauderdale. We want to thank you tonight for taking the time out to come down and visit with us. And as a concluding question, I would like to know what can be done about the reports that are being leaked, for instance, the CIA reports?

THE PRESIDENT. Let me preface a direct response. I think it is completely wrong, what has happened with some people trying to destroy the CIA and our intelligence community. The intelligence community is vitally important in wartime, but it is equally important in peacetime. It is the best insurance policy we have that we won't get caught napping. So, we have to keep it strong, and I will resist to the utmost any dismantling of it, believe me.

Now, the leaks that have come out of highly classified information—secret, top secret information—is unconscionable. If I had a quick way I could find out who does the leaking, I would do whatever I could the next day. But they are skillful. Leakers have a devastating impact on good government, and I personally have offered to the Speaker of the House the full forces of the executive branch to try and find out who leaked that latest report. After all, it is a congressional report that was leaked.

So, it is not something that I have jurisdiction over or the executive branch has jurisdiction over. If the Speaker will ask us to do anything within the law, we will do it to try and find out the person that I think has damaged our national security.

Thank you all very, very much.

NOTE: The President spoke at 8:05 p.m. in the Commodore Ballroom at the Bahia Mar Hotel at the briefing for Broward, Dade, and Palm Beach County officials. In his opening remarks, he referred to Mayor Clay Shaw, Jr., of Ft. Lauderdale.

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Remarks to President Ford Committee Volunteers in Ft. Lauderdale. *February 14, 1976*

Thank you very, very much, Joel, Lou, and all the distinguished public officials, all of you wonderful youngsters and oldsters, and everybody else:

We get the combination of energy from these young people and the real experience and enthusiasm from all the rest of you—we just have to win. We are bound to win.

We have had, as Joel said and as Lou indicated, a wonderful reception from the time we landed in Orlando. And this group here is another indication—despite what some of the skeptics have said—that we not only have the numbers but we have the talent, we have the enthusiasm. Our organization is good, and we are going to win with them.

The nicest thing for a candidate to have—and I think Lou and the others would agree with me—is to find when the chips are down, when the going, in the minds of some, is at least rough, that all of your old friends from a good many years back or some of your new acquaintances or some of the neighbors that you lived next to or people you went to school with or were associated with in business, come to help. And as I walked through this wonderful crowd

this morning, I must admit, 50 people fitted into one category or another that were friends of the past or newly made acquaintances.

This is what makes a candidate feel good, because of their feeling of closeness and their feeling of knowledge about whether you are good or bad. And I want to thank not only all of those old friends but to thank all of you who have done so much and are so important in this crucial campaign.

Let me just take a minute to talk about what has happened in the last 18 months. About 18 months ago, the burden fell on me to become President of the United States under very difficult circumstances. I think we have made a tremendous amount of progress. We have restored the public faith in the responsibilities of the Oval Office.

But as I look back in that month of August of 1974—what were the circumstances? We were suffering as a nation from inflation of over 12 percent. We were on the brink of a very serious economic recession. Our allies abroad had some fear and apprehension as to whether or not a new President could rally the American people and contribute to the growing and essential strength of our alliances abroad.

Instead of panicking, we took a firm, steady, realistic, commonsense course of action. And the net result is we have made tremendous progress. And we are not coming up with any quick-fixes that look good on paper, but burn up about as quickly as it possibly could.

So here we are in February of 1976, roughly 18 months after those circumstances faced us squarely in our eye. I would like to add a little extra comment. I know from the mountains of mail that I have received and Betty has received over this 18 months, we have had the prayers of young people and old people. We have had the prayers of the American people, and that has been extremely helpful to us. And we thank all of those who were kind enough and thoughtful enough under those circumstances.

But here we are in February of 1976, and the skies, all of a sudden, seem to be opening up and brightening considerably and they are that way because we have done the right thing. We are coming out of the depression. Employment is going up. Since March of last year we have added 2,100,000 more jobs. We regained 96 percent of the jobs lost during the recession. The unemployment trend is down, and it is going down.

We had some encouraging news just yesterday in two respects. One, the Wholesale Price Index, which is the basis of the Consumer Price Index—if you get that under control, you have got a great big handle on trying to cut

back the cost of living for the consumer. For the month of January there was no increase in the Wholesale Price Index. The month before there was a 1.6 drop. The month before, it was zero, so we are really doing something effective in the Wholesale Price Index. And that will have a beneficial impact for young and old and people in every one of our 50 States.

But to create jobs we have to have our economy really moving. And, again yesterday, we got some excellent news—that industrial production was up again.

So as we look across the domestic spectrum, I find a great reason for encouragement, even more so than I tried to say during the State of the Union Message about a month ago. But it does not do us much good to get things straightened out and problems corrected at home unless we are sure that our national security is in the right direction.

I said last week, and I reiterate it here—the policy of this administration is one of peace through strength. I submitted in January the largest defense budget, I think, in the history of the United States—$112.7 billion. This is the first real step to make certain that we have not only the capability to deter war but the capability to make certain that our security is secure.

But more importantly, we are making the right kind of headway because we are strong in our reestablishment of our alliances abroad. I have had some excellent personal contacts with the heads of government in Britain, in France, and West Germany and other Western European countries. Today, the NATO alliance is in the best shape it has been since its inception.

It is important that we keep a strong partner and many friendships in the Pacific. Our relations with Japan today are the best they have ever been. That is a bulwark of strength in that vast ocean area.

At the same time, we can look with great pride at what has been accomplished in the Middle East. We have moved forward to a just and permanent peace in the Middle East. Why? Because the Israelis trusted us and the Egyptians trusted us. And it is the trust they have in us which convinced them that they could move toward a settlement of some of their differences. This is the result of America being strong and America being trusted.

But we do face some adversaries around the globe. We face the People's Republic of China. It is important that we continue the negotiations and the open relations that we have with them. We recognize that their ideology, their political philosophy, is totally different from ours, but you can't ignore

800 million people. And we will deal with them in a way that we benefit and in a way that is good for the world as a whole.

We face the problem of dealing with the Soviet Union. Let me say one thing categorically. I am a good Yankee trader and we are not going to get out-traded in dealing with the Soviet Union.

But I think it is important, as we negotiate with the old traditions of American Yankee traders, to recognize that if we can put a cap on the nuclear arms race and push back the vast expenditures for more and more and more nuclear arms, it is in the best interest of all of us. We will keep our powder dry, but we are going to be darn sure that that agreement, if it comes about, is in our interest and in the interest of world peace as a whole.

I don't think it is in the best interest for us to do two things: One, to increase the proliferation of nuclear arms all over the world. And I don't think it is in the best interest of the world to deal in this area with your finger on the trigger. I think it is better to be strong and keep your powder dry.

Now let me close with just one final comment. I reiterate my appreciation for your all being here. I know how hard you have worked and I know how much of an impact you have had. We have about a month to go. What we do in the weeks ahead, the days before us, is vitally important. The reception we have received here in Florida has been tremendous and I am deeply grateful, but campaigns are won, and this kind of a campaign will be won, by what all of you do and the policies that we pursue.

We are going to try, as we move ahead in the policy decisions of this administration, to have this kind of a balance. I want a balance between the taxpayer on the one hand and the recipient of Federal assistance on the other. I want a balance between the private sector and the government sector. I want a balance between the Federal Government and the State government and local units of government. It is vitally important that we have that balance. I want to free the individual from as much government control as possible.

I will make one statement that sort of puts all of my philosophy in a very simple sentence. I say it often because I believe it. Some of you may have heard it, but it wraps it all up: A government big enough to give us everything we want is a government big enough to take from us everything we have.

We want that balance. We want honest government. We want strong government. We want fair government.

And let me conclude with this final comment—as we move ahead, and we are moving ahead both at home and abroad, I get prouder and prouder

of the fact that I am an American, and I get prouder and prouder of America. And I know you do, too.

Thank you.

NOTE: The President spoke at 8:25 a.m. in the Commodore Ballroom at the Bahia Mar Hotel. In his opening remarks, he referred to Joel Gustafson, chairman of the Broward County President Ford Committee, and Representative Louis Frey, Jr., chairman of the Florida President Ford Committee.

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Exchange With Reporters on Arrival at St. Petersburg, Florida. *February 14, 1976*

GOOD MORNING. How are you all this morning? It has been a great day so far, not only yesterday but so far this morning, and I am looking forward to a real fine time on this trip to Florida. And we hope to come back.

REPORTER. When you said anything to the right of your philosophy cannot win in Florida, are you speaking specifically of the philosophy of Ronald Reagan and Ronald Reagan in particular?

THE PRESIDENT. I have said that anyone further to the right than my philosophy, on a nationwide basis, can't win the general election. I think it is important for that philosophy, which is a middle-of-the-road philosophy, is the right philosophy for the United States. And anyone on the right or on the left of my philosophy just can't win because most Americans believe in a moderate, middle-of-the-road philosophy.

Q. Would you put Ronald Reagan in that category?

THE PRESIDENT. I will let the American people make that decision. I am not going to.

Q. Also, how do you plan to alter your campaign strategy to have at least a confident victory or feeling of victory in Florida?

THE PRESIDENT. I have been tremendously encouraged by the fine turnouts that I have received in Orlando, in Ft. Lauderdale, and elsewhere. And the one here this morning, which was supposed to be a closed reception, is tremendous.

So, I think we have got the initiative, we have the right programs, we have some great leadership in Lou Frey and Bill Young and Skip Bafalis [1] and all of the others.

Q. But have you got the votes for it?

THE PRESIDENT. I think the votes will turn up on March 9.

[1] U.S. Representatives from Florida.

Q. Are you planning to step up your Florida campaigning, sir?

THE PRESIDENT. Well, I think we had a pretty busy day yesterday, as well as today, and as I said, we are most likely to come back again. And I have to emphasize—because it is very important—that my principal responsibility is to be President of the United States, and that takes a good bit of time. We will find a way to come down and see our friends and encourage our workers and to give recognition to our leaders.

Q. There has been an interpretation of your campaign, sir, as being one of giving a picture of a President at work rather than a campaigner for the Presidency. Is this an accurate reflection?

THE PRESIDENT. I think my principal job is to work at the responsibilities of being President. On the other hand, I think it is equally important, with the time that is available, to come out and see the people and let the people know from me personally what my philosophy is and what my programs are. So we will try to mesh the two.

Q. Mr. President, the last time you were in this county was 2 years ago, when you were Vice President. You defended President Nixon then, and it was only a few months before he resigned. Isn't that association with President Nixon going to hurt you in this campaign, and isn't it hurting you already?

THE PRESIDENT. I don't see that that association has been harmful, not at all. Real nice to see you all, and thank you very, very much.

NOTE: The exchange began at 10:17 a.m. at St. Petersburg/Clearwater International Airport.

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Remarks to a Group of Senior Citizens in St. Petersburg. *February 14, 1976*

Thank you very, very much, Bill Young, a very close and very dear friend of mine. I am most grateful for that really warm welcome and very, very kind words. Congressman Lou Frey, Congressman Skip Bafalis, Judge Roess, Mayor Schuh, Senator Ware, honored guests, ladies and gentlemen:

Happy Valentine, and I hope you have many, many, many more happy Valentines.

In 1952 Winston Churchill, then a mere 77 years old, had been called into the service of a country for a second term as Prime Minister of Great Britain. Smiling impishly, he told the British House of Commons, and I quote: "Everyone has his day, and some days last longer than others."

I am happy to be here today with so many people who are enjoying a long and sunny day in the sunshine city of St. Petersburg in the Sunshine State of Florida.

The careers of Winston Churchill and others who rose to prominence in their later years, reminds us all, if we need to be reminded, that advancing years need not mean a retreat from an active, eventful, and enjoyable life, and all of you represent the best of that.

Nor should advancing years be the certain bearer of poor health, a meager income, or social isolation. The ancient philosophers taught us that the measure of civilization's advancement can be found in the treatment of its elders.

For more than 40 years, through the vehicle of social security and other programs, America has made a firm commitment of support for older citizens of our society.

I pledge to you this morning that I will continue to uphold that commitment. In recent years, there has been dramatic progress in our efforts to meet the continuing needs of America's older generation. But I want to do better, and with your help and with the help of the Congress, I will, and I am sure we will.

As President, I intend to do everything in my power to help our Nation demonstrate its deep concern for the dignity and the well-being of our older generations. For those who need our help we have already a number of Federal programs providing assistance in a variety of ways.

The social security program, the largest of its kind in this world, will pay almost $83 billion to more than 32 million Americans in fiscal year 1977. That is more than a $10 billion increase over the current year.

Here in Florida the Social Security Trust Fund will pay an estimated $4,400 million to participants in the next fiscal year. In my budget for fiscal year 1977, I am recommending that the full cost-of-living increase in social security benefits be paid during the coming year.

Now let me assure you of one thing very emphatically: My administration fully intends to preserve the integrity and the solvency of the social security system for your benefit and that of all working Americans, men and women, now as well as in the future.

I think that is good news, but now let's have some bad news.

This year it is projected that the Social Security Trust Fund will run a deficit of about $3 billion. Next year, unless my reforms are adopted, we will run a deficit of $3.5 billion. If this trend continues, there will be no social security for old or young. As long as I am President, we are going to keep social security

protection and every other retirement program strong, sound, and certain. And we will do it.

Yesterday, the Department of Labor announced that wholesale prices were unchanged in January. In fact, wholesale prices have shown no appreciable change since October of last year. This is more good news in our fight against inflation, and we are going to keep the pressure on.

In addition to the social security program, we are continuing our strong commitment to benefit programs for more than 3 million railroad, military, and Federal Government employees. Of course, that means we will do the same job for the veterans who live here and live elsewhere in 49 other States.

After many, many years of sacrifice and hard work, you have contributed to America, you have earned the respect, and you have earned more than the prospect of poverty in your retirement years.

In my budget, the supplemental security income program, or SSI, will pay almost $6 billion in Federal benefits to more than 5 million disabled and disadvantaged older Americans in 1977—170,000 of them right here in Florida.

Let's be frank. There have been some problems with this program, as you probably know, because the SSI replaced a great number of federally assisted State programs and inevitably there was some confusion in the process.

We have already begun to take extensive steps to correct these problems, and we will make sure that if any American qualifies for these benefits, he or she will get them, period. Those who don't qualify won't be taking money that you should have.

In the field of health care, the Federal Medicare program in 1976 will provide more than $17 billion for the health care of 24 million older and disabled Americans, about 1,400,000 right here in the great State of Florida. But there are flaws in this program, which actually help raise the cost of your medical care and which fail to protect you adequately against the economic burdens of prolonged illness.

I have proposed major improvements in the Medicare program to make it serve you better. One of the most important improvements is the creation of a system of health insurance that would pay all but a very small fraction of the catastrophic cost of complex or extended care and treatment.

I don't have to tell you that medical treatment is very, very expensive today. Hospital costs have risen by more than 200 percent since 1965, to an average cost of $128 per day. If you have to stay in a hospital or a nursing home or under doctor's care for a very, very long time, it puts an incredible

strain on your lifetime savings and on your peace of mind. And that strain is felt by your loved ones as well.

All of us know of cases in which someone in the family or a close friend or a member of your church has been stricken with an illness that lingers on and on and on. We know of the pain and of the heartache associated with a prolonged illness. We know that being sick and bedridden for a long, long time is bad enough without having a person's income and life savings dwindle away as the medical bills keep piling up. This must not continue, and it won't with my program.

Let me put it this way. There is no reason that older Americans should have to go broke just to get well or stay well in the United States of America. Under my proposal the individual's contribution would go up slightly, but consider what the increase would provide.

Nobody eligible for Medicare would have to pay more than $500 a year for hospital or nursing home care. And this does not mean that you pay the first $500 of your total cost. You would pay only 10 percent of the total cost, or $500, whichever is less. And the maximum annual cost to you for covered doctor's services would be $250, or 20 percent, whichever is less. Medicare would pay the rest, whether it costs $1,000 or $10,000 or $50,000. It is a good program, and we are going to make it.

If the Congress passes my program, the ruinous economic burden of catastrophic illness is one thing you will never have to worry about again. Another of my programs would consolidate 16 Federal health programs, including Medicaid, into a single $10 billion block grant program to the States.

If we can consolidate these programs, we can make them more humane and more effective. We can improve the services that they provide to you and millions like you, and we can get those services to more people who really, really need them.

Programs of this kind, despite some abuses, do a tremendous amount of good. For some of our neighbors, they provide the means for life itself. They provide the food, the services, the health care, without which some people would not be able to enjoy this beautiful sunshine today in St. Petersburg and in Florida.

It is all too easy to say that the Federal Government is too big, that this program and that program ought to be cut out of the Federal budget, tossed back to the States to cope with, if their taxpayers will permit it. It is not that simple, and you know it and I know it.

I am concerned, as you are, about the growth of the Federal budget. I have been fighting to hold down the Federal budget in a responsible way for 27 years, 25-plus years in the Congress, a few months as Vice President, and approximately 18 months as your President.

You all know how hard I have been trying for the last 18 months to get control of the inflation which has done so much economic damage to all Americans. During 1974, when I became President, inflation was raging at an annual rate of more than 12 percent, eating away at everybody's buying power but absolutely devouring the livelihood of people on fixed incomes.

I knew that something had to be done to bring that situation under control. I knew that deficit spending by the Federal Government was a major contributor to inflation and that slowing the growth of Federal spending was essential to solving the problem.

I have used my constitutional power, that of veto, 46 times since becoming President, trying to hold down the level of Federal spending, trying to break the back of inflation. To hold down the cost of living, we must hold down the cost of government. It is just that simple. We have made some very encouraging progress with these vetoes, saving the taxpayers about $10 billion. The inflation rate that was 12 percent has been cut nearly in half.

That is not good enough. That is progress, real progress that helps especially people on fixed incomes more than anybody else in our society. Just yesterday the Department of Labor announced the wholesale prices stayed level in January. In fact, wholesale prices have shown no appreciable change since October.

I want to drive that point home. This is more good news in our fight against inflation, and we are going to keep the pressure on, and we are going to be successful.

You have probably heard that we had some other good economic news just about a week ago. Employment [Unemployment] in January took its sharpest drop in 16 years. Ninety-six percent of all jobs lost during the depression have been recovered.

America is getting back to work, and we are going to make better and better and better progress in reducing unemployment. But there is so much more that we have to do. I want all Americans, young or old, black or white, rich or poor, to live in dignity and security and in peace.

If we can continue making the progress America has made in the past, we will see that wonderful goal achieved. Too often people forget just how

far and how fast we have come as a nation. We have our problems, and we are not afraid to admit them.

Honesty in this situation is essential, but I think it is time people stop running down America. I think it is time we remember how richly blessed this Nation is. You, or many of you, in this audience have seen much of America's phenomenal progress with your own eyes. In the space of your lifetime, man has taken himself from the horse and buggy and explored the far reaches of space.

Diseases which were once crippling and killing millions of Americans have now been conquered. America's population has more than doubled since 1910. Life expectancy, which in 1910 was only 50 years, is today more than 71 years.

The gross national product, the index of our total production, is now seven times greater than it was in 1910. To put it another way, the strength and growth of the American economy provides the average American living today with 3½ times more in goods and services than Americans enjoyed in 1910. No other generation of Americans has achieved such growth, and all of us thank you from the bottom of our hearts.

In 1910, some 156,000 young people graduated from America's high schools. Last year's college graduates totaled 944,000. That is another indication of the progress we are making in this great country.

In 1910 there was no regularly scheduled radio broadcasting in the United States. Nobody had ever heard of television—maybe a few very, very outstanding scientists. Today, we are living in an age of instant and global communications. These examples—and there are many, many, many more—serve to remind us of how much has changed, of how much progress there has been in health, wealth, education, communication, law, and in every other aspect of life in our great country.

The fact is that you, your generation, has been the greatest pioneer of progress and change in the entire history of the human race.

But some things, thankfully, have not changed at all. We are still a people in America with love of freedom, and after 200 years that love is undiminished. We are still a nation dedicated to progress and peace in the world. We are still a nation of compassion. We are still, as Lincoln called us a century ago, the last, best hope of Earth.

The United States is a great country, the greatest in the world. You helped to make it that way, and this Nation will never, never, never forget your contribution, past, present, or future.

And we will never forget the lesson which President Eisenhower taught

us from the wisdom of years: "America is not good because it is great," the President said, "America is great because it is good."

Thank you very, very much.

NOTE: The President spoke at 11 a.m. at Williams Park. In his opening remarks, he referred to Representative C. W. Bill Young, Martin J. Roess, honorary judge and chairman of the Pinellas County President Ford Committee, Mayor Charles Schuh of St. Petersburg, and Florida State Senator John Ware.

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Remarks at a President Ford Committee Reception in St. Petersburg. *February 14, 1976*

THANK YOU very much, Bill, and Lou Frey, and Skip and all of the others who have done so much. But before I say a few other words, I want to wish you a very, very Happy Valentines.

I met a young lady over here who is 97 years old, and I hope she has many, many more Happy Valentines.

As I look at this tremendous group here, I can't help but be unbelievably encouraged. You are the phone callers, you are the door knockers, you are the people that do all the hard work, and there is no way I can express my appreciation any better than to try to do the best job I can as President of the United States.

You won't believe it, but the first Presidential campaign where I was a worker like you was back in 1940 when I was trying to help elect Wendell Willkie. And I have helped every other Republican candidate for the Presidency since then. And I appreciate what you are doing for me on this occasion.

Let me take about 5 minutes to say a very few words about the problems we have had and what we are trying to do to solve them. I spoke over in Williams Park and talked about some of the particular problems that affect our older Americans. I will talk a bit about that, but I want to look at the picture a little broader here, if I might, because we are all one country. And the young people, as well as middle-aged people and the older people, all have the same great love, the same dedication, the same desire that they can say—every one of us can say—that we are proud to be an American and proud of America.

If you will go back about 18 months, this country was having serious problems. And all of us have prayed a good many times that the problems we have had for the last 18 months could be solved, and I think our prayers are being answered.

I honestly believe that the American people today have a restoration of faith in the system and in the people, and that is vitally important.

Number two, 18 months ago we were faced with the worst inflation this country had had in a hundred years or more, over 12 percent, and we were just on the brink of an economic recession which was the worst one since the Great Depression of 1930.

At the same time, many of our allies on a worldwide basis were apprehensive and concerned whether the United States, having gone through a traumatic period, was going to have the same resolve, have the same strength that was needed as we faced our challenges to achieve and maintain peace.

But because our system of government worked, because there was enough resolution and strength in the American people, we are now on the brink of, I think, great success.

First, inflation is still too high, but it is half of what it was 18 months ago, and it is going to get lower and lower.

Last January, February, and March, the unemployment was going up, the number of people with jobs was going down, but we have turned it around by solid, commonsense, practical approaches to the problem. And just last week we got the biggest drop in 1 month of unemployment for 16 years and we added 800 (800,000) more people gainfully employed in 1 month. And since March of last year we have increased employment by 2,100,000—that is progress.

But we have got to do better and we will do better, and wherever we find a problem domestically, I can assure you that we are going to meet it head on, we are going to be practical, we are not going to fool you with any quick-fixes. That does not work and it destroys confidence in government. We are going to be honest, frank, candid, and we will make this system work the way it should.

Now, let me talk for just a minute about our national security. Bill and Lou and Skip, who I served with in the Congress, know of not only my experience in dealing with the Department of Defense but my dedication that the United States of America shall be second to none in national security.

The budget that I sent up in January for the Army, Navy, Air Force, and Marines was $112.7 billion. It gives us the capability of maintaining the peace through strength, and that is what we want. It will, and the fact that we are strong has reassured our allies whether they are in Western Europe or in the Pacific. It also has given us the strength to make constructive headway in the

resolution of those terribly difficult and controversial problems in the Middle East.

Just last year, when it looked like the Middle East might blow up again with the consequences of an oil embargo and possibly a much larger war, we were able—because the Israelis had confidence in us and the Egyptians had confidence in us—they got together and made a step forward in trying to resolve those serious, terrible problems in the Middle East. But they knew we were strong, they knew we could be helpful. And we were the coalescing force that brought those two countries together.

Now we have some adversaries around the world. We are making headway, slowly, in trying to open up relations on a broader basis with 800 million people on the mainland of Asia, with the People's Republic. It is important to deal strongly, fairly with them.

But the problem that is raised by many concerns our relations with the Soviet Union. Let me just be very frank and honest. My reputation in Congress and otherwise has been of a tough Yankee trader; and those Yankee traders did pretty well back a good many years ago. And we are going to be strong, we are going to be able to deal from strength, and I think what we do will be in the best interests of the United States.

Now, let me just talk about a question that has been raised by some people. At the present time, our Government is spending literally billions of dollars to make sure that we have enough nuclear capability to deter war and to protect our national security. The Soviet Union is spending as much, if not more. If we can put a cap on this arms race, I think that is in the best interests of this country. We are going to make sure and positive that it is a fair agreement. And your President is going to be a tough Yankee trader when he sits down, if he does, in trying to negotiate any such agreement.

You have my total, complete commitment that what I do, whether we get an agreement or don't, it will be in the best interest of the United States.

Now we are going to keep our powder dry. We are not going to be trigger happy. I think we can negotiate from strength. We can build our alliances from strength. We can do the things that are necessary to make everybody assured in this country that we are safe. And if we keep our heads, keep our powder dry, keep cool, we cannot only do what is right for America at home but we can maintain peace through strength throughout the world.

Thank you very, very much.

NOTE: The President spoke at 12:04 p.m. in the Neptune Room at the Bayfront Center. In his opening remarks, he referred to Representatives C. W. Bill Young, Louis Frey, Jr., chairman of the Florida President Ford Committee, and L. A. (Skip) Bafalis.

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Remarks at the Veterans Administration Center Hospital in Bay Pines, Florida. *February 14, 1976*

Thank you very much, Bill, Mr. Haile, Dr. Burke, all of you wonderful people:

Let me reiterate what Bill Young said—Happy Valentine. I hope you have many, many more.

I have spent a good many hours with Bill Young talking about Bay Pines. When I was in the House of Representatives, Bill kept telling me about the great need, and I was also pushed a little bit by Skip Bafalis and Lou Frey and the rest of the Florida delegation. So when I became Vice President, the desire on the part of Bill and all of his colleagues was even greater and, as a result of their interest—and to some extent, my effort—we undertook a very comprehensive study, not only of this facility but seven other veterans hospitals where the need was quite obvious.

The report that has been developed over the last months is going to be submitted to me officially within the next week or so. I have been briefed by not only Bill and the others but with the knowledge that I have had in the past, when I was coming to St. Petersburg, I decided that rather than to rely on just some words on a piece of paper that I wanted to come out and see you and to see the facility and learn firsthand what the circumstances are.

On the way down, I was talking to the Director of the Office of Management and Budget—you know he controls all the money—[*laughter*]—and I said that if I found conditions the way I understood them to be, we had to get going on Bay Pines.

It is obvious that there is a tremendous need. You have an unbelievably high veterans population in this part of Florida. You have, as I understand it, a very high age category among veterans.

So, with the combination of the circumstances plus the need to construct a new modern facility, I don't think you are going to be too disappointed with the kind of results that you are going to get.

Let me, if I might, pay tribute to the doctors and the directors and the personnel that try to do a first-class job for the veterans here. I understand you have about 600 beds. The new one would be some 900, and you would end up with not only this facility modernized but a new facility up to the highest standards.

But, I know that not only the doctors that you have and the personnel that serve you but the many veterans organizations that come out and try to be helpful—the wives, the veterans themselves—this is a great aid and assist, I know, to all of you who are unfortunately in the hospital.

But we have a tremendous program that started 2 years ago to upgrade the facilities and quality care in VA hospitals. Last year, in January, when I submitted the budget for the VA, I added $404 million to carry out the recommendations that we had to have more people, we had to have more equipment and, in addition, I recommended—and we are trying to achieve it—some 7,000 more personnel for the 180-some hospitals under VA jurisdiction.

But even that program was not enough, and in the budget that I submitted in January of this year, we added another 1,700 more people to help achieve quality care for our veterans in every one of the 180-some VA hospitals.

What I am really saying is our country owes a tremendous debt of gratitude to the veterans who have fought for freedom and liberty for 215 million Americans. With the help of the VFW, the American Legion and the AMVETS, and all of the other veterans organizations, and with the help of the people in the executive branch of the Government, with the help of the people in the Congress, we are going to make certain that quality care is given to every veteran who fought for America in our military conflicts.

Good luck, and God bless you.

NOTE: The President spoke at 1:07 p.m. In his opening remarks, he referred to Representative C. W. Bill Young, James F. Haile, director, and Dr. Henry F. Burke, chief of staff of the hospital.

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Remarks and a Question-and-Answer Session at a Campaign Rally in Ft. Myers, Florida. *February 14, 1976*

Thank you very, very much, Skip, Congressman Lou Frey, Colonel Lou Antol, Cas Peacock, Reverend Browning, ladies and gentlemen:

Let me say it has been a great, great experience to come to Ft. Myers in southwest Florida. Thank you very much.

Nothing would be more unwise than for me to pass judgment on where the largest crowds were. I love every one of them and this one I love especially. Thank you very much.

I am especially pleased also to be here in the second home of Thomas Edison. It is clear from the great Pageant of Light Celebration today, with the parade

I understand you are having this evening, that all of Ft. Myers is proud of Edison's very long association with this great community. Edison, as all of you know, was a truly remarkable man, and I can't help but add this feature. Thomas Edison was a friend of a man by the name of Henry Ford. [*Laughter*] I am a Ford from Michigan, but the other Fords would never admit I was a relative. [*Laughter*]

Well, Edison was a great man. Besides his inventive genius, he was also a man of very tremendous insight and very clear vision. His views on hard work are legendary. "There is no substitute for hard work," he once said, and he defined genius as one per cent inspiration and ninety-nine per cent perspiration.

His views on government were equally forthright. He knew the importance of fiscal responsibility in government, of holding taxes down, and of keeping private enterprise strong. He was a very perceptive man and he once said, "There is far more danger in public than in private monopoly, for when government goes into business, it can always shift its losses to the taxpayers. Government never makes ends meet. And that is the first requisite of business." Very perceptive and very wise.

In those very few words, I think Thomas Edison summed up much of what has gone wrong in this country—Government never making ends meet. We have had a balanced budget—it is hard to believe, but it is true—only seven times in the last 44 years. It's a terrible record. No business could match that record and ever hope to survive, much less prosper.

I think we can turn that dangerous trend around. I think we must and I think we will turn it around, because if we don't, if we don't draw the line right now and make ends meet soon, we are going to be in very serious, very deep, very considerable trouble. You and I know very well, but it looks like it might take another Thomas Edison to make the United States Congress—the majority, anyhow—see the light.

I have to concede, it won't be easy. A budget already blotted by years of excesses can't be slimmed down overnight, but it can be put on a rather rigorous diet. If the Congress can resist the temptation to feed it in between meals—I will veto any attempts to do that—we can get it down to the right size where it ought to be.

And the best part of this budget which I submitted to the Congress in January is that if we do what I recommended this year and what I have proposed would follow on, we can make our ends meet, and we can have a balanced budget in 3 years and have another tax decrease. I think that makes headway.

None of you, as I look across this great audience, would run a household the way the Federal Government has been run in the past. You just could not get away with it. You have to balance your budget at home or you are in darn serious trouble.

When government doesn't make ends meet year after year after year, it breeds inflation, and that is real trouble—and you know it right in your own pocketbooks. You know it precisely every time you buy a very simple item like a jar of peanut butter and compare the price stamped on it with the one jar in your cupboards. Boy, it is obvious—we have trouble. And those of you on fixed incomes really know when you are giving up not only luxuries but, unfortunately, in many cases, necessities.

I happen to believe, and believe very strongly, we can win this battle against inflation. When I took office, as Skip Bafalis said, the rate of inflation was over 12 percent per year. We have already cut it in half from what it was just a year or so ago, and with the support of hard-working taxpayers, we can cut it even more in the future.

Yesterday, we got some good news. The Department of Labor announced that wholesale prices were unchanged in January. The facts are wholesale prices have shown no appreciable gain or change, I should say, since last October. And if we can lick the battle against wholesale prices, it will have a tremendously beneficial impact on consumer prices—the cost of living for all of you. And we are going to keep that pressure on.

In my State of the Union Message, which I delivered to the Congress and to the American people, I spoke of the need for more commonsense and a better balance between government activity and private efforts. These are not just slogans—they are underlying themes and commitments of my administration, and they are necessary ingredients for the Nation's success in its third century of independence.

Government will do its part, but it is time we face the fact that government must stop trying to do everything. That won't work—never has. I have said it before, some of you may have heard it, but it sums up so cogently my basic philosophy. I live by this principle, I think it is sound, and let me phrase it for you very rapidly: A government big enough to give us everything we want is a government big enough to take from us everything we have.

This Federal budget that I proposed for fiscal year 1977 reflects that truth. It arrests the rapid growth in Federal spending, cutting in half the average annual increase or growth rate for the last 10 years.

It strikes a better balance between those who pay taxes on the one hand

and those who benefit from Federal spending on the other. It proposes tax cuts for individuals and tax incentives for business investment and economic gain.

It strikes a better balance between our national defense requirements and our domestic needs, and makes certain that our national defense will continue to be second to none, as it must be. And it strikes a better balance between Federal control and State and local authority through such programs as general revenue sharing.

Revenue sharing has already brought a total of some $2 million to Ft. Myers since 1972, and I have proposed for a 5¾-year extension. And under that extension, this amount would be increased to $3.4 million for the period between 1977 and 1982. Lee County has received $4.3 million since 1972, and I am asking the Congress to raise that to $10 million in the new extension of the legislation.

With this fine program, which gives Federal money to State and local officials to make local decisions based on your needs and wants, I hope we can restore the truly Federal system which our forefathers envisioned and established under the Constitution. I don't want to dismantle the Federal Government. I want to make it work better, more efficiently, more humanely, and far more effectively. And we can do it, and we will.

Now before answering your questions, which I really prefer to do, let me ask each and every one of you for this: With your help, your support, your mandate, and borrowing some of Thomas Edison's fabled determination, I think we can make southwest Florida, Ft. Myers, our whole 50 States, a better and better place in which to live, and make us all very, very proud of being Americans and very proud of America.

Thank you very, very much.

Thank you, that is a great reception, just as warm and just as friendly and just as much appreciated as those wonderful people out on the route as we came into town.

Now, the first question.

Questions

THE FIRST FAMILY

Q. I am from Grand Rapids, Michigan.

THE PRESIDENT. I have heard of that place. [*Laughter*]

Q. You served lunch to me at school 43 or 44 years ago. Do you remember me? [*Laughter*]

THE PRESIDENT. I have to get my glasses on. Those lights are bad.

Q. Ah, you know me, Jerry. [*Laughter*] Can I shake your hand, then I'll leave you. Can I?

THE PRESIDENT. Well, have you got a question, first?

Q. I haven't got anything. You are doing a good job.

THE PRESIDENT. Okay. [*Laughter*] I am glad to see a good Michigander down here enjoying all the benefits and blessings of this area.

Q. Michael R. Nazarawh, Sanibel Island, Florida. Thank you for coming to Ft. Myers, Mr. President. The question: Now that Susan has left her position and will be joining you in helping in your reelection, do you anticipate any other members of the immediate family to follow suit, hopefully?

THE PRESIDENT. Well, Betty is a tremendous asset. She could not come down on this trip, but, I am sure if and when I think we will come to Florida again, she will come on that trip. And Steve is out training horses in California, and that is a long way from Florida. Mike is up in divinity school in Massachusetts. He was with us in New Hampshire and will probably join us the next time. Jack has got a new job, and he has got to go to work so——

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you. They are great kids, and I have a wonderful wife, and they are a better asset than I am.

FLORIDA INTERSTATE SYSTEM

Q. Good afternoon, I'm Robert Oldham from Ft. Myers. First of all, I would like to thank you for sending me the autographed picture for Christmas, and I have a question. What can you or will you do to speed construction of Interstate 75 throughout southwest Florida?

THE PRESIDENT. How fast do you want it done? [*Laughter*]

Q. Well, how does next week strike you?

THE PRESIDENT. Well, I have talked to your fine Congressman and others about it. I happen to be a person that believes very strongly that we ought to finish the interstate system as quickly as possible, period.

Now it is my understanding that there is a bill in the House and in the Senate—they each have a slightly different version—one has $12 million extra for this area and one has $25 million extra. Somewhere in between $12 and and $25 million will be made available to the State of Florida to expedite

your interstate system. I would expect that that legislation would be through the Congress in a relatively short period of time. Unless something happens that I don't foresee, it will be signed by me. It will be made available, or the funding will be made available to the State, and then the State has to make a decision where it wants to allocate that money.

Now I think with the extra money and a little push from you all and a little suggestion from us, maybe we can get a good share of it over here in southwest Florida.

SOCIAL SECURITY

Q. Ed Paulie from the Keystone State of Pennsylvania, Georgetown, specifically. And I understand that you are going to visit with us some time this——

THE PRESIDENT. I have been up there several times with your good friend John Sailor.

Q. Right, a good man.

Mr. President, prior to the 1974 elections you indicated a need for a special 5-percent increase in income taxes. Now the only response you got from the Democratic majority was that they used it against you at the election time. Now just a few weeks ago you announced the necessity for an increase of social security taxes and the cost of Medicare. Now no doubt the only response you will get from the Democrats is that they will use it against you again in November elections.

Now, while I agree with you that these increases are a solvent necessity, my question from the standpoint of practical politics, how do you justify the timing of these tax announcements?

THE PRESIDENT. I think that is an excellent question, and it is one that ought to be answered. If we make decisions about the integrity and certainty of the Social Security Trust Fund on the basis of politics, a person does not deserve to be elected President.

The truth is that everybody knows that in this current fiscal year the receipts for taxes for the Social Security Trust Fund are $3 billion less than the expenditures. And everybody knows that next year there will be $3.5 billion more going out of the trust fund than comes in in new taxes, and it is going to get progressively worse under the present setup. Eventually, if we don't do something, there won't be any trust fund for the people who are already retired and the people who are going to retire. Now, I don't think we ought to play politics with that kind of a situation, and I don't intend to.

UNEMPLOYMENT

Q. Mr. President, first I would like to welcome you to Ft. Myers. I would like to know if you have any ideas for programs in which to create jobs to alleviate the unemployment situation.

THE PRESIDENT. I have, I think, the best program for permanent jobs, for jobs that offer a future. I have a program that is not a quick fix—that is a phony answer. I happen to believe because five out of the six jobs in this country are in the private sector, that is where we ought to try and find more jobs for more people.

Now, how do we do that? Number one, we have recommended and we are still pushing for additional tax incentives. Let me cite one. We believe that with a tax incentive, business will build a plant more quickly, so in an area of high unemployment, my recommendation is to give a tax incentive to a company to build a plant to buy equipment. If they will do it within a relatively short period of time, it gives them a more rapid amortization. It is an incentive for them to create jobs right now.

That is the whole philosophy that I think is the right one to get our economy moving. Now there are some other things that we are doing in this temporary hiatus. For example, I have recommended more expenditures for local water and sewage treatment plants than this year and 90 percent more than last year. This is constructive, beneficial local public works. We have more money put in the budget for the next fiscal year for highway construction than at any time in the history of the United States. We have more money in the budget for ongoing, fully justified public works programs, not quick-fix proposals that really don't do much. So between incentives for the private sector and responsible public works programs at the local and State level, I think we are going to accelerate the increase in job opportunities and reduce the unemployment rate.

VETERANS HOSPITALS

Q. Mr. President, your honor, my name is Marvin D. Mulkey. I'm the district commander of the Veterans of Foreign Wars in the State of Florida. The veterans of the State of Florida and the United States are quite concerned about the deterioration of the veterans benefits and the closing of the veterans hospitals over our country. Now, I understand this deterioration is happening in Washington, D.C., and we are quite concerned about it. And we would like some sort of explanation on it as to where we stand and what is going to happen.

THE PRESIDENT. Well, first, let me talk about the situation in Florida. I understand you have four VA hospitals here. Today, I visited Bay Pines. I went

through the hospital facility. It's a 600-bed hospital. They are anxious to get a supplemental hospital to add 900-plus beds.

Two years ago—at the suggestion of the Congressman from that district and others in the area—I directed that we have an immediate study as to the need and necessity for rapid construction of the Bay Pines facility. That report is to be on my desk sometime next week.

After looking at the facility and seeing the need, I am quite sure that the proponents of that facility will not be disappointed with my decision, but I do have to look at the report.

But now let's talk about hospitals generally. I am not familiar with any closing of VA hospital facilities. As a matter of fact, in the budget for the current fiscal year, based on a recommendation of a survey made, I added $404 million to get quality care for VA hospitals throughout the country and added 7,000 more medical personnel. And in the budget right here I added 1,700 more medical personnel and $250-some million to continue the increase in quality care for the veterans throughout this country. We are going to see it. We are going to demand that it be done.

Q. This is most wonderful, and it is quite a different story than what we have been hearing. This I really love to hear and I certainly appreciate it. I can certainly pass it about. We certainly want to welcome you to the fair city of Ft. Myers, and we will see you in Washington next month.

THE PRESIDENT. Okay. Nice to see you.

Q. Mr. President, I am from Norwalk, Connecticut. Welcome to God's country.

THE PRESIDENT. Which—Norwalk or Ft. Myers?

Q. Ft. Myers.

THE PRESIDENT. Okay. Alright. I like them both.

Q. I would like to ask a question, Mr. President. You have not been in our State. We would like to have you up there soon, when it gets a little warmer—right now it is cold. Can I get an answer from you?

THE PRESIDENT. Well, I would like to stay in Ft. Myers and southwest Florida for a long time, but it just so happens that I have a quite significant job to do as being President of the United States.

Q. You are doing a good job, Mr. President. Nobody had the guts to take it, believe me.

THE PRESIDENT. Let me be serious for a minute. It is vitally important as we meet the problems, both at home and abroad, for the President to be on the job

as long as is required, and it is no 8-hour day, I can assure you. But we will do that job, and we will get to Florida and we will get to Norwalk, Connecticut, as often as we can.

Q. Bravo! We will expect you.

MONOPOLIES; FOOD PRICES

Q. Good afternoon, Mr. President. I am from precinct 79. We would like to know what you are going to do about the monopolies in the United States, such as oil and gas and food. Our food prices are atrociously high in our area, and we are all concerned about them. We also would like to know about the taxes that the middle class is paying, and why are not some of the other larger income people paying taxes, too, sir?

THE PRESIDENT. On the first question, since I have become President, I have, first, appointed an outstanding Attorney General. That man has put added emphasis in the Department of Justice on antitrust activities, trying to break up monopolies or to eliminate monopolistic practices of any company, and this year, again, in this budget, he asked me—the Attorney General—for extra antitrust personnel and I recommended, as I recall, about 50 extra top grade people to help him pursue antitrust monopolistic developments.

So under the laws we have, you can depend that the Department of Justice will do a good job. And I might add that last year I recommended that the penalties for violation of the antitrust laws be increased. They were ridiculously low. They have been substantially increased so now that those who perpetrate monopolistic trade practices will really be penalized in dollars as well, if it's criminal, any criminal penalties as well.

Now on the question of food prices. It is true that in 1973, just about the time we had the oil embargo, food prices soared. In the meantime, the farmers of this country have really turned to, and last year we had an alltime record of wheat production, an alltime record of corn production. And the net result is, that instead of the increase in food prices of 15 to 20 percent in 1973, they are down now to an annual rate of about 4 to 5 percent, and that's still too high.

But I can tell you that the farmers are producing. Our big problem—let's be frank about it—it is the middleman profit. The farmer doesn't get it and the consumer doesn't get it, and one of the jobs that the Department of Justice must do, the Federal Trade Commission must do, and others, is to find out why there is such an abnormally high differential between what the farmer gets and what the consumer pays. And we are going to go after it.

FEDERAL SPENDING

Q. Mr. President, I am Robert Weinig, president of Citizen Inflation Fighters, Inc., Naples, Florida, and I have a question to ask you. In the interest of stopping inflation and attaining economic stability, what would you say is the primary thing that we citizens can do to help you attain your all important objective of balancing the Federal budget within 3 years?

THE PRESIDENT. Well, let me be quite specific. I have vetoed 47 (46) bills which, by the latest tabulation, means we have spent $10.5 billion less than we would have spent because 38 or 39 of them have been sustained. We have a new one that I just vetoed yesterday, $6 billion or more—extremely inflationary. It will add Federal jobs, if it does, at the rate of $25,000 a job. The jobs will come after we have come out of the recovery. It is totally unjustified. I would hope that you would write your Senators and your Congressmen and tell them to vote to sustain that veto. That is in the best interest of this country.

CETA

Q. Mr. President, I'm Robin Fleagle from Ft. Myers. My question is: Do you have any idea how long the CETA program is going to last?

THE PRESIDENT. The CETA program—maybe I ought to explain what it is. It is the Comprehensive Employment and Training Act. It was passed roughly 3 years ago, as I recall, maybe 4. What it seeks to do—for the benefit of those who don't know what it is—it provides funds to train people who have lost a job, to train them to acquire a skill in a new job. In addition, it provides authority for what we call the summer youth employment program. The regular funding of that program is about $1,600 million, the nonyouth part.

I have recommended full funding for that through December 31 of this calendar year and, as I recollect, about 60 percent funding for the remainder of that fiscal year. For the current year, we are spending roughly $440 million for the summer youth program, and for the following summer, the summer of 1977, I recommended about $410 million for the summer youth program. Now that is as far as we can go under the law. I have recommended that kind of funding for the fiscal year 1977, which ends September 30, 1978. But that is, I think, a justified program. It really is one of the better programs we have in the Federal Government to meet the problems.

Q. I do want to thank you for CETA because without that, I would be without a job. I really appreciate it.

THE PRESIDENT. I think it is one of the best programs in this area in the Federal Government.

MALPRACTICE INSURANCE

Q. Good afternoon, Mr. President. I'm Clifton Bowen from north Ft. Myers, and I would like to know the difference between these different bars or associations and the difference between unions which continue to raise our prices mandatorily through the years. They need an increase, but we need a reduction, such as medical malpractice. The insurance rates have soared to the extent that the poor doctors cannot even operate. What is your opinion on this, sir?

THE PRESIDENT. Well, let's take the problem that affects doctors, the malpractice insurance that they want to have for their protection. The judgments that have been granted in court cases have increased rates very substantially. It's really a State matter, not a Federal matter. Some States have moved in—in Michigan it has been solved by some cooperation between the medical profession and the State. I can't give you the details except I know it has been settled.

In contrast, we have had a controversy in California between the doctors and the State. Apparently, they can't find an answer. Since it's not a Federal matter, I can't give you any specific solution to it. I do think that we, in the typical American fashion, are getting some reasonably better settlements between labor and management as competition has increased in our economic situation. And if we can keep these settlements down and increase productivity, that's the main thing. I don't think we'll have an inflationary impact from the wage settlements in 1976.

Q. Thank you for coming to our fair city and welcome back any time.

THE PRESIDENT. I'd love to. Thank you.

Q. Mr. President, we welcome you to Ft. Myers. We thank you for coming here, we are rooting for you, and we are also praying for you.

THE PRESIDENT. Thank you. I appreciate both.

Q. This is not a very nice question, but I think it is one that should be asked. What is your opinion, Mr. President, of Richard Nixon as President?

THE PRESIDENT. I think the best answer to that will come when the historians write the pages of history.

Q. Hi, my name is Brent Horn. I was just wondering when you played football, what team did you play on? [*Laughter*]

THE PRESIDENT. Well, that was so long ago, it was back when the ball was round, and I've forgotten. To be serious, I played high school football in Grand Rapids—South High—and at the University of Michigan after I got through South High School.

Q. Can I shake your hand?

THE PRESIDENT. You sure can.

AMTRAK

Q. Thank you very much for coming to southwest Florida, Mr. President. My name is Greg Thoresen from Cape Coral, and I was wondering what your ideas about Amtrak rail passenger service are?

THE PRESIDENT. When I was in the Congress, I voted for the Amtrak concept. I think it is important for us for a wide variety of reasons—including saving energy, and in certain areas, saving time—to develop or or maintain or to expand rail passenger service.

We certainly need it in what they call the Northeast corridor, from Boston to New York to Washington. And I am sure there are other equally important areas throughout the country. Unfortunately, however, there are some cases, where the Congress has added—just pure pork barrel—in adding or requiring Amtrak to run passenger service where it cannot, under any circumstance, be justified.

Now, if they keep doing that, it will destroy the basic concept, which is sound, for Amtrak. So, I just hope we show some restraint and good judgment because we need a good passenger rail system in certain parts of the country. But we can't afford to run it all over the country draining the taxpayers' pocketbook.

Q. Maybe you could have a few words with Amtrak, too. Thank you very much.

Q. Mr. President, I am the one who wrote the letter to you. [*Laughter*]

THE PRESIDENT. I can't remember that exact one. [*Laughter*] Tell me about it.

Q. Well, I told you how old I was.

THE PRESIDENT. You have gotten older since then, though.

Q. I know. James Gorman is my name.

THE PRESIDENT. Yes, I remember. You did tell me that you were going to send me something, and it is very nice to see it, and I would like to receive it.

Q. Can I shake your hand?

THE PRESIDENT. Sure.

AID TO EDUCATION

Q. Mr. President, my name is Debbie Weaver, I'm from north Ft. Myers. I was wondering if you had any plans to help out the economic systems in the colleges and universities across the country?

THE PRESIDENT. The answer is yes, in this way: I don't think that the Federal

Government should put its money in the brick and mortar of State and private colleges and universities. I think the Federal Government should help students go to school. And the net result is that, again in this budget, I have recommended $1,100 million for what we call the basic opportunities grant program so that needy and deserving students can go to colleges and universities, plus other various programs such as the work-study program, the loan guarantee program, and there are two or three others.

I think we ought to, from the Federal level, concentrate in making it possible for students to have help to get an education. I think it is the responsibility primarily of the State to finance the construction and the operation of State universities and State schools.

Q. Do you think there will ever be a woman President?

THE PRESIDENT. Well, maybe you would——

Q. I don't want to——

THE PRESIDENT. Let me say this. I think it is perfectly feasible. I don't think it is going to come in the relatively short future, but we have got some very brilliant, outstanding women, and I am certain that at some point we will have a lady or woman President. I better say that or my wife, Betty, would really give me a hard time.

Q. Can I shake your hand?

Thank you, Mr. President.

THE PRESIDENT. Can I take two more——

AID TO THE DISADVANTAGED

Q. My name is Richard Cronk and I'm from Ft. Myers, and I would like to know if you think that we should have better Federal aid going to Americans, such as helping orphanages and needy people, instead of going out of the country to other people?

THE PRESIDENT. I think we ought to do all we can to help the needy at home, but let me just raise a very fundamental question with you, which you have raised yourself, whether we should help other nations throughout the world. Many people in the audience recall the devastation that existed in Western Europe following World War II. If we had not helped Western Europe rehabilitate itself, I am confident today that all of Western Europe would be behind the Iron Curtain.

I think that for humanitarian reasons we ought to help disadvantaged people in other areas of the world. We have to have a greater consideration for our own citizens, but a country as rich as ours, a country that has, I think, the

destiny of America, ought to look beyond its shores, ought to have a broad vision. It is a responsibility we have that we ought to accept willingly. America is great because it is good. I think we ought to take that position all over the world.

Q. May I shake your hand?

B–I BOMBER

Q. Mr. President, I personally appreciate the great leadership you are giving to our country. One of the big issues before our country, of course, is spending and cost, and it has been one of the issues we have been discussing a lot here today. Related to it is a major issue before Congress—the B–1 bomber. What is your point of view on this?

THE PRESIDENT. I have from its very inception supported the research and development, and in this budget I have recommended the procurement funds for the B–1 bomber. Let me tell you why: Our main strategic, high-performance aircraft today is the B–52. We have some B–52's today that are over 20 years old. Would you want your son or your close friend flying on a combat mission in a plane that was over 20 years old? I wouldn't.

I think if we are going to keep America strong—and I think it is needed and necessary so we can have peace with strength—we have to phase out those weapon systems as they become obsolete and follow on with other weapon systems, such as the B–1 replacing the B–52. I think it is essential for our security. I think it is essential for peace through strength, to have that new high-performance strategic aircraft.

Thank you very much.

NOTE: The President spoke at 4:07 p.m. at the Ft. Myers Exhibition Hall. In his opening remarks, he referred to Representative L. A. (Skip) Bafalis, Col. Louis Antol, Jr., chairman of the Lee County Republican Executive Committee, Cassius Peacock, chairman of the Lee County President Ford Committee, and Rev. Robert G. Browning, Jr., pastor, St. Hilary's Episcopal Church of Ft. Myers.

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Remarks at a President Ford Committee Reception in Ft. Myers. *February 14, 1976*

THANK YOU very much, Lou. It is wonderful to be here with your Congressman, Skip, and to have spent the last day and a half with Lou Frey and in between we have had Bill Young from down around St. Petersburg. It has been an amazing trip.

I have heard from certain people, and I have read some newspapers, and I have read some columns that we did not have any organization down here, we did not have any workers, we did not have any enthusiasm. I find just the opposite true. And let me say I will pit the organization we have against any opposition I know on the Republican or Democratic side—either one.

It has just been a fabulous day and a half and the culmination of coming here, down in southwest Florida, at Ft. Myers, has just been tremendous. We had a wonderful meeting—I have forgotten the name of the building, Skip—Exhibition Hall—I knew I was in Ft. Myers—but it was wonderful. And let me just make one or two points. I think it is vitally important for a person with the moderate Republican philosophy that I think I believe in—have fought for—to win the election and to make certain that this kind of philosophy prevails for the next 4 years.

Now let me give you a couple of quick ideas of what it relates to. And if I might, with your permission, I would like to go back to August of 1974 when, very suddenly, under very difficult circumstances, I became President. What did we find? We found that inflation was something over 12 percent, much too high, runaway. It seemed uncontrollable. We had all kinds of proposals for wage and price controls. We had all kinds of other quick fixes that everybody here knows would not have done the job and probably would have compounded the problem.

We decided that the best way to meet the challenge of inflation was to have a cool, steady policy of restraint as far as the Federal budget was concerned. And I think we have accomplished that despite some of the problems we have had with the majority party in the Congress of the United States.

And then almost as soon as I had taken the oath of office, we saw these darn clouds coming over the horizon of a recession, and it turned into a very serious one—the worst since the Depression of the 1930's. It could have caused all of us to panic and to, again, do some gimmickry to try and resolve the problem.

Unemployment soared; employment went down. I knew from the days when I and my family and friends of mine went through the Depression that all of these make-work projects, or most of them, don't really work.

So we decided that we would put the emphasis on trying to restore the confidence in the private sector where five out of the six jobs in this country exist anyhow. Those are permanent. Those are inspiring. Those are meaningful jobs. And the net result is without all the extra Federal spending that so many wanted, we were able to add 800,000 more jobs last month, and over the last 7 or 8 months we have added 2,100,000 jobs.

That is not good enough yet, but we have regained 96 percent of the jobs lost during the recession and we are going to do better. We have to find job opportunities for roughly 2 million new job entrants every year into the economic mainstream of our society. And the best way to do it, the only honest way to do it, is to try to do it in the private sector. And everything we do is going to be aimed in that direction, I can assure you.

Now let me make one or two comments about foreign policy. I have said—and I would like to repeat here—our whole foreign policy has to be predicated on peace with strength. And what does strength mean? It means having a Defense Department—Army, Navy, Air Force—that is second to none, modern weapons, the best training, the best—and let me put this in very emphatically—we have to have the best intelligence capability in the world.

Frankly, I am getting fed up with those who want to destroy it and dismantle it on the one hand, and those who, for one reason or another, want to leak all our classified information on the other.

Now we are going to put a maximum effort to maintain the capability of this country to deter war and to be able to maintain our national security against any threat. That means we have to spend a lot of money. It means we have to buy the best hardware, we have to provide the best training, and we have to give it public support. And that is what I am asking all of you to do. The Congress cannot and must not slash the Federal military budget this year.

Let me just conclude with this: All of you have, obviously, helped tremendously already. We have got—what, 30 days to go, Lou? Twenty-four, all right. It's March 9. I have not had time to add it up. I didn't take new math, so I can't do it. But, anyhow, we have got a short time. We have to do a lot of doorbell ringing, telephoning. We have to do a lot of persuading.

I think it is vitally important that we are successful March 9 so we can be successful November 2.

Thank you very, very much.

NOTE: The President spoke at 5:40 p.m. at the residence of Cassius Peacock, chairman of the Lee County President Ford Committee. In his opening remarks, he referred to Representatives Louis Frey, Jr., chairman of the Florida President Ford Committee, L. A. (Skip) Bafalis, and C. W. Bill Young.

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Remarks at a Federal Bar Association Dinner in Miami, Florida. *February 14, 1976*

Thank you very much, Bob, Maurice, my good friend, Louis Frey, members of the judiciary, distinguished guests, ladies and gentlemen:

As I had the privilege and honor of going through the reception, a number of very kindly remarks were made concerning the fact that I had apparently picked up some Florida sunshine. I am delighted that that happened.

It is wonderful to be here in Florida and, of course, the sunshine was great and the receptions were exceptional. But let me just say it is a great privilege and pleasure to be here on this occasion with this very distinguished group, and I thank you for the invitation.

It is a great honor and privilege to address the fellow members of the Federal Bar Association, the leading professional organization representing attorneys, civilian as well as military, in Federal service and formerly employed by the United States Government. The Federal lawyer, serving in every department or agency of our Government, has never had more important responsibilities than today in our rapidly, very rapidly changing society. And this is especially true in law enforcement.

In south Florida, you have done an outstanding job to provide speedy justice and mobilize State and local cooperation. Indeed—and I am delighted to hear it—I understand that some of the Federal courts in your district remain in session as late as 11 p.m. to speed trials and to prevent backlogs. I congratulate you. I wish the same example would be followed nationwide, if I can trespass on another branch of the Federal Government.

I specifically, in addition, commend the coordination of the Federal, city, and local law enforcement officers in the investigations of the bombings of the Miami International Airport, the local FBI office, and other target areas in the Miami area. I congratulate you for this fine and, I think, exceptional effort.

Frankly, I have had it with terrorism of the kind that recently killed so many innocent people at LaGuardia Airport in New York City[1] and has plagued the south Florida area. The FBI has reported that bombings in the United States in 1975 killed 69 people.

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[1] See 1975 volume, Item 749.

The time has come for society to act in its own self-defense. I favor the use of the death penalty in the Federal criminal system in accordance with proper constitutional standards. The death penalty in appropriate instances should be imposed upon the conviction of sabotage, murder, espionage, and treason. Of course, the maximum penalty should not be applied if there is duress or impaired mental capacity or similar extenuating circumstances. But in murders involving substantial danger to the national security, or when the defendant is a coldblooded, hired killer, the use of capital punishment is fully justified.

We realize today that passivity and permissiveness invite crime and that the certainty of punishment prevents crime, and I mean positive, swift, and just punishment. But the criminal justice system need not be vindictive to be effective.

As President, I will give no comfort to those who make false allegations of police brutality but excuse the real brutality that exists in America today, the brutality of hoodlums in the streets of our cities throughout America. I have no patience with those who would portray the violent criminal as the helpless victim of society when such offenders are actually anti-social criminals.

Millions of our citizens, including the elderly and poor, lock themselves up in their homes, fearing violence. I would instead lock up the criminals who make them afraid.

A legal system that is exploited by the criminal but ignores his victim is sadly out of balance. I ask your help and that of all Americans in restoring that balance. I applaud the Federal, State, and local citizen coalition against crime that is emerging in Florida. The 10,000 volunteers now active in the citizen's crime watch of the Dade County Public Safety Department deserve particular commendation, and I am glad with the many others who have passed that on to those public-spirited citizens.

As you know, these crimewatchers have provided information leading to significant arrests, including the seizure, as I understand it, of some 23 tons of illegal drugs.

The responsibility of local officials in dealing with the alarming increase in violent crime is primarily under our Constitution. Yet crime is so pervasive that it can be brought under control only by the concerted efforts of all levels of government—Federal, State, and local, by the closest possible cooperation among the executive, legislative, and judicial branches, and by nonpartisan political unity against a common enemy.

The primary duty of government is to protect the law-abiding citizen in the peaceful pursuit of life, liberty, and happiness. The preamble to our Con-

stitution puts the obligation to insure domestic tranquillity in the same category as providing for the common defense.

We recall in this Bicentennial Year that our Founding Fathers adhered to the dictum of John Locke: Where there is no law, there is no freedom. The overwhelming majority of Americans are law-abiding citizens. It is a small, hard core of lawbreakers who commit a very large proportion of all crimes.

A recent study in one major metropolitan area recently showed that within one single year more than 200 burglaries, 60 rapes, and 14 murders were committed by only 10 individuals. Most serious crimes are committed by repeaters. Such criminals duly tried and convicted must be removed from our society for a definite period of time. The law-abiding majority also has its rights and, as Chief Executive, I intend to see that those rights are given full weight on the scales of justice in America.

With very few exceptions, I strongly advocate mandatory minimum sentences for individuals who commit Federal crimes or offenses involving the use of a dangerous weapon or who commit such grave offenses as aircraft hijacking, kidnaping, and dealing in hard drugs, and for repeat offenders who commit Federal crimes that harm or endanger others. Too many violent and habitual criminals are convicted but never spend a single day in prison. The lack of certainty tempts the mugger and, yes, even the murderer. We must shorten their odds if we are to deter lawbreakers.

The way to reduce criminal use of handguns is not to disarm law-abiding citizens. The way to reduce criminal use of handguns is to impose mandatory sentences for gun crimes, to make it harder to obtain "Saturday night specials," and to concentrate our gun control in high crime areas.

Last July, I recommended to the Congress a bill to achieve these objectives, and I urge and strongly advocate action by the Congress to act immediately and without harassing the lawful gun owner.

The vast, vast majority of victims of violent crime in Florida and throughout the United States are the poor, the old, the children—the most defenseless of our fellow citizens.

When people fear for their physical safety, they are rightfully afraid to use our streets. They lose their inherent freedom to come and go as they please—a right that I think is very important to all of us.

Even the young and strong are endangered by criminals ready to maim and to kill, but older people are especially vulnerable. A mugger, by just snatching a purse or a wallet, may actually do terrible injury to an elderly person.

I think we owe protection to everyone, but most of all we owe protection to those least able to cope with violence. Let us pay special attention to guarding areas where our elderly people are concentrated. Let us help them feel safe as they sit in the sun in this beautiful State or take an evening walk in this beautiful area. Let us lift the oppressive fear from their hearts.

While prisons exist to protect society from the criminal, those convicted are on the main line back to crime if they are freed because of inadequate detention facilities. This is also true if inmates are confined in notoriously bad or overcrowded facilities that breed even more crime.

Unbelievably, America still has the same prison capacity as in 1960, although crime has doubled and our population has burgeoned. The need for more prisons is obvious and very, very urgent, and I included it in the budget for the next fiscal year—four new Federal prisons that are badly needed to meet this problem at the Federal level.

Here in the Miami area the Federal Government will next month open a new Federal Youth Center. All of you know it will have a detention facility capable of handling some 250—including youths and pre-trial adult offenders. I think this is a step forward.

My concern is for the total fabric of American society with our constitutional guarantee of due process. The time is long, long overdue to give the innocent victim every bit of protection and consideration now accorded to the criminal.

Why are so many serious and violent crimes never reported to the police? The criminal victimization survey conducted by the Bureau of Census for the Law Enforcement Assistance Administration, better known as LEAA, disclosed that in 13 major cities, including Miami, only about one-third of rapes, robberies, aggravated assaults, and burglaries are reported to the police. Miami has a higher rate of reporting than most of the cities that were surveyed.

But even here the figures show that 4 out of 10 rape cases are not reported. In the case of robbery accompanied by serious assault resulting in injury, 3 out of every 10 victims do not report the crime to police.

Crime figures, unfortunately, do not tell the full and the very terrible story. The fact that so many victims are reluctant to report serious crimes indicates a breakdown in the traditional relationship between the citizen and the police.

We must protect the victims of crime as well as the witnesses to crime. We must help them and we must treat them with great respect. That is essential.

As all of you know, in the law enforcement process all law-abiding people must unite in the struggle to regain the freedom of our streets and the safety of our homes. When a criminal is arrested, the police are required to imme-

diately read to that individual his rights under the Constitution. Why not tell the victim of his rights, too, just as clearly and just as promptly?

This has been advanced by the National District Attorneys Association and a victim's rights card is now used in 18 States. The investigating officer informs the victim, "You have the right, as a victim of crime, the following: 'To be free from intimidation; to be told about available compensation for court appearances; to be told about available compensation for your injuries; to be told about social service agencies which can help you; and to be assisted by your criminal justice agencies.' "

I think this is a step forward, and I hope that more than 18 States will do exactly the same. Let us encourage witnesses by giving them the support that they need. I have asked the Department of Justice to develop new programs to protect and to assist all witnesses in Federal criminal proceedings. No community should tolerate the abuse of victims. This has happened far too frequently in rape cases where the victim is needlessly subjected to additional humiliation.

The violent crime that plagues Americans is essentially within the realm of State and local government. But the Federal Government will assert its maximum role under the Constitution to fight crime within its jurisdiction.

The increasing abuse of hard drugs contributes to the soaring crime rate. In this case, our Federal responsibility is very, very clear. I have directed all Federal law enforcement agencies—in particular, the Drug Enforcement Administration—to intensify the drive against major narcotic traffickers. I am seeking legislation and cooperation with the Congress for mandatory prison sentences for convicted traffickers in hard drugs. These merchants of death deserve nothing less.

Because the drug problem also involves other nations, I have had an opportunity in the last year and a half to consult with leaders of Mexico, Colombia, and Turkey to urge stronger action by them in cooperation with us to control the production and the shipment of hard drugs.

I have also recommended to the Congress to increase Federal funds to get drug addicts into treatment and out of crime. Your own program right here in Miami, known as the Treatment Alternative to Street Crime, funded by LEAA, I think is an excellent example of this concept at work.

The programs that I have outlined here tonight are part of a Federal effort to combat crime. As long as crime is a national or nationwide problem, the administration is determined to provide leadership and assistance in fighting it within our jurisdiction.

The Law Enforcement Assistance Administration is vital in this comprehensive national effort. Since 1969, the LEAA has given more than $153 million in Federal funds to the State of Florida to fight crime. I have asked that Congress extend the existing law. I repeat those requests today and call upon Congress to act rapidly so there is no indecision as to our total effort by the executive, the legislative, and the judicial branch to move forward.

I continue to urge the Congress to enact legislation to compensate victims of Federal crimes who suffer personal injuries. This is somewhat controversial, but I have been convinced, after looking at all of the evidence, that it is a step forward. And I hope that the Congress will respond. The money would come from a fund consisting of fines paid by convicted Federal offenders, promoting the concept of restitution under criminal law.

I hope and trust that the Congress will follow what has happened and what has proven to be, in my judgment, sound in a number of our States. As I have said, some 17 States in the country have already tried it, and it is working. And I would hope that the Federal Government's action would promote some 33 other States to do the same.

While money and technical assistance have limitations, they can help our overburdened judges, prosecutors, and public defenders. If the blockage in the court systems is broken, cases will flow more swiftly through the courts. We will come closer to our ideal of justice, and this will bring new order to our social system.

I believe in America, as all of you do, and I am convinced that a united America is once more going to have safe streets, secure homes, and the dignity and the freedom from fear which is the birthright of every American.

To secure this end, I have proposed what I think is a sound program to the Congress. Today, with your help, I call upon action.

And I would appreciate the chance to meet with so many of you, as I have tonight, who follow the profession of the law, who know the problems, and who know from a practical experience what can and what ought to be done in the process of defeating crime.

Our concern should be for the victim of crime. Our concern should be for domestic tranquillity. Yes, we understand the problems of the law violator, but here in Florida you can take the lead, as you have in many cases, to be on the side of the victim and for domestic tranquillity. I hope and trust that we, on a national level, can take the same strong stand, which is essential for the benefit of all law-abiding citizens in our country.

And, as I close, I pledge to you and to all the people of Florida my unrelenting efforts to reduce crime here as well as elsewhere in full cooperation, in consultation with experts such as you, as we try to meet head on this very serious problem.

Thank you. Good night.

NOTE: The President spoke at 9:30 p.m. in the Everglades Room at the Everglades Hotel to members of the south Florida chapter of the Federal Bar Association.

In his opening remarks, the President referred to Robert Leo Dube, former president, and Maurice Miller, president, south Florida chapter, and Representative Louis Frey, Jr., chairman of the Florida President Ford Committee.

98

Remarks in Miami Beach at the Annual Fundraising Dinner of the National Parkinson Institute. *February 14, 1976*

THANK YOU very much, Bob, Congressman Pepper, his wonderful wife, Mildred, and all of the other outstanding people who have participated in this program tonight.

I just thought I would drop in to indicate in person my total support for the major national effort that is being made in Parkinson's disease. I am, of course, familiar with what your organization has done. I know this is the 17th annual get-together. That shows the dedication and the complete, total effort that is being made.

I was extremely honored a month or so ago at the urging of my good friend, Claude Pepper, to issue a national proclamation [4403], pointing out to our fellow Americans the need for action, the need for understanding in the area of Parkinson's disease. I did it not only because of Claude's insistence but because I knew good people like you were really behind the effort that is needed and necessary to solve the problem, and I thank you very, very much.

It is a real thrill for me to meet Mrs. Levey—Jeanne, she says. But this is Mrs. Jeanne Levey,[1] who I know has done so much for so many years in this very important area.

I just can't thank you enough for the warm welcome, Mildred. Where is old Claude? [*Laughter*]

MRS. PEPPER. Mr. President, he's not that old. [*Laughter*]

THE PRESIDENT. I have to kid him a little bit, Mildred, you know. He's a great friend of mine, and I appreciate what he and you and Mrs. Levey, or

[1] Chairman, national board of directors of the National Parkinson Institute.

Jeanne—[*turning to Bob Hope*] what is your name?—[*laughter*]—I owe him a couple of putts on the golf course, and I am going to get that money back the next time we play if he gives me enough strokes. [*Laughter*]

MR. HOPE. Well, can I have this one second and tell you that you are the best finale we ever had. [*Laughter*] You are. And you are standing with a couple of wonderful people here who have done a tremendous job toward this great cause.

MRS. PEPPER. And, Mr. President, women, you know—they have to do a little talking.

Ladies and gentlemen, you know Claude and I are good Democrats, but you know President Ford and Mrs. Ford, Betty—we know her very affectionately as Betty—she is in my international club, one of the loveliest ladies that I have ever known in my life, and you know the President is a wonderful man. He deserves a better party. [*Laughter*]

THE PRESIDENT. May I have the last word, please? [*Laughter*]

Last night I was in Florida, and I called back to Washington to talk to Betty, to let her know that everything had gone very well, that all the wonderful people in Florida had been very hospitable. And she said Mildred had called and said that she thought it would be a good idea if I came down here and saw Claude and her and Bob and Mrs. Levey, and like a good husband, here I am. [*Laughter*] Thank you.

MR. HOPE. Thank you, Mr. President. Thank you very much.

NOTE: The President spoke at 10:30 p.m. at the Fontainebleau Hotel. In his opening remarks, he referred to comedian Bob Hope, master of ceremonies.

99

Remarks at a President Ford Committee Reception in Miami. *February 14, 1976*

Thank you, John Malloy and Lou Frey and all of you wonderful people:

Let me, at the culmination of a day and a half or almost 2 days of a tremendous visit to the great State of Florida, thank you on behalf of all of the people who have been so kind, so generous, so friendly, and so nice—it is just wonderful. And Happy Valentine to you and everybody else.

Let me just take a few minutes—I know you have waited and I appreciate your patience. When I was up in Washington the last month or so, I heard

terrible stories that the President didn't have any friends, he didn't have any organization, he was not going to win—you know, all the dire, pessimistic predictions. I have been here almost 24 hours, and I don't believe any of them.

I think I have got a lot of friends. I think we have got a good organization, and I think we are going to win. We are going to win for two reasons. Number one, all of you and literally thousands like you throughout the State of Florida are really dedicated, unselfish, and believe that what is good in this cause is good for America. And I thank you for that dedication and that support.

Let me now talk about what we can talk about—I am going to talk about it, and I hope you will talk about it. We have got good programs; they are good for America, and they are going to be implemented for the benefit of 215 million Americans all over this country.

Let me summarize it very quickly. Number one, we were faced with a terrible recession, lots of high inflation. Inflation is going down, employment is going up and unemployment is going down, and that is good for America. And we are going to do better and better.

Number two, this country is still the leader in the world. We have a great responsibility. We can keep peace with strength, and we are going to have the strength to keep the peace—period. Our allies in Western Europe know it and support us. Our allies in the Pacific know it and support us. Our potential adversaries know we have it, and they respect it.

As I came through this wonderful group tonight, I had the privilege of shaking hands and saying hello to many, many who are in the Cuban-American population. Let me say categorically and emphatically, the United States will have nothing to do with Castro's Cuba—period.

And let me make another comment or two. The United States has to have a strong military capability, and we do with the Army, Navy, Air Force, and Marines. We are going to have the money out there; we are going to have the weapons. We've got wonderful people, and through them and what they stand for we can keep the peace through strength. But there is another thing that ought to be emphasized. It is the best insurance in peace as well as in war—America needs the finest intelligence capability anyplace in the world, and we are going to have it. We can't let those who want to dismantle our intelligence community prevail, and I'll be darned if we are going to let the leakers ruin our intelligence community.

John, I want to thank you. I want to thank all of you. I am proud to be a part of you. I am proud of what you have done, and I'm most grateful. But

what I am most proud of, as you are most proud of—we are all proud to be Americans, and we are proud of America.

Thank you very, very much.

NOTE: The President spoke at 11 p.m. in the Plaza Room at the Howard Johnson Hotel. In his opening remarks, he referred to John C. Malloy, chairman of the Dade County President Ford Committee, and Representative Louis Frey, Jr., chairman of the Florida President Ford Committee.

100

Remarks at the Professional Athletes Prayer Brunch. *February 15, 1976*

I THINK many of you know that about once a month or thereabouts we have state dinners with the heads of various governments around the world. Some of you have joined us on those occasions. When those events take place, the State Department and Betty preempt all the invitations, except I get a little leeway—I can ask about two or three people that I feel comfortable with, and they are usually people who have competed in athletics. This is the first meeting in the White House where I've really controlled the situation. [*Laughter*]

I do feel happy and comfortable with all of you who have done so beautifully in your area of excellence, in your profession, and it's nice to see you. And on behalf of both Betty and myself, we welcome you on this occasion to the White House.

Before making my personal remarks, on behalf of Betty and myself, if all of you would like, we would invite you to take a look at some of the more private rooms up on the next floor, the Lincoln Room and the Queen's Bedroom, where we hope to have the Queen of England come and spend a day or two with us on the Fourth of July, which is an appropriate date for the—[*laughter*]—but they tell me she is a great lady, and so she's coming to help us celebrate Independence Day. So, after we're through, the people from the usher's office will see to it if you would like to go upstairs and see some of these great, traditional, wonderful rooms that are in this house.

It is a great honor and a very special privilege for Betty and myself to welcome you to this house. As I said earlier, I have always had a great envy for those of you who have really made it in your various fields of athletics.

As a young grade school, schoolyard, street corner athlete, my ambition—really, lifetime ambition—was to be somewhat proficient in one or more fields of athletic endeavor. Good or bad, I didn't make it, and so I sort of get a secondary

impact out of reading the sports pages first every morning. [*Laughter*] I do it for two reasons. One, I enjoy the opportunity of seeing how well or how badly people are doing, but compared to the front page, in the sports page you have a 50–50 chance of being right. [*Laughter*]

President Kennedy once said at a state dinner for Nobel prize winners: There has never been such an extraordinary collection of talent and human knowledge at the White House before, with the possible exception when Thomas Jefferson dined alone. I believe it is quite safe to say that no more outstanding representation of athletic prowess has ever been seen in this house before. And as I said, Betty and I are most pleased and delighted to have you all here. Your athletic abilities, however, even though far excelling those of the average person or the average athlete, are not all that make you very, very special—and you have heard from some most articulate and dedicated and committed people this morning.

I think what they said and how they said it meant a great deal to all of us. You are also special because of your love of God, your faith in Him, a love and a faith that Betty and I share. The Apostle Paul, writing the Corinthians, said: They which run in a race run all, but one receiveth the prize. Everyone in this room has run the race. You have received the prize that comes with excellence. You have tasted what Jim McKay [1] calls the thrill of victory and the agony of defeat. Yet, you know that because of your faith you can never really be defeated. There will be setbacks, there will be races or matches or games that you will not win, but you will never be defeated because the presence of God is too strong in each and every one of your lives.

If God is on your side—and he will be if you are on His—no man, no woman, can ever defeat you. As the Bible said, "God be for us, who can be against us." As President and as one who has been in the political arena for 27 years, I have had my share of political victories—as the minority leader in the House of Representatives for almost 10 years, in the House dominated by the opposition.

For most of the time I have known my full share of defeats along the way, but whenever I am discouraged or disappointed by the course of events, I know there is a place I can go for solace and for strength. That knowledge is a source of great comfort and consolation to me. It sustained me in many hours of trial and chastened me in the hour of triumph or in pride.

I sincerely, and most sincerely, believe that America is the great Nation it is

[1] ABC sports commentator.

today because we have, from the very first, declared our dependence on God and placed our trust in Him.

"In God We Trust" is much more than a national motto. It is the testament we have followed from our earliest, earliest days in this country. The spirit of competition, so strong in America throughout our history, has been responsible for much, much of our material progress just as it has been partially responsible for your outstanding performances in the many fields of athletic competition. But there is a higher spirit, a nobler spirit which pervades our national life, and makes the quality of our lives so much more important to us than the quantity of our possessions or our individual honors.

That spirit, that infinite spirit of hope and compassion and love, has lived through the ages. We are fortunate that it has dwelt so long and blessed so richly this land and its many, many peoples. Our constant prayers must be that this spirit will find its way into our individual hearts, our minds, and of course our lives.

The discipline of athletics teaches us to deny ourselves those things which might hamper our performance on the field of challenge. But that discipline tells us the rewards of our success will far outweigh the restrictions on our training. So it is with the religious life for which the ultimate reward is nothing less than a place in the kingdom of God. Each of you in this room shares that ultimate goal with me. Each of you, famous, wealthy, and happy as you may be, know that things of this world are fleeting, that immortality is not something a sportswriter can bestow upon you, that all earthly things shall pass away.

For this reason, you have made a commitment that will last beyond this mortal life into the true realm of immortality. You have made the great decision to live your lives in such a way that you would rejoice in the opportunity to serve your God through eternity. You are prepared to lay all of your trophies at His feet. This is a worthy and wonderful goal for all of your lives. Let us strive always to achieve it so that we may say with Paul, at the end of our lives, "I have fought a good fight, I have finished my course, I have kept the faith."

Thank you very much.

NOTE: The President spoke at 11:45 a.m. in the East Room at the White House.

101

Letter to the Speaker of the House and the President of the Senate Recommending Extension of the Federal Energy Administration. *February 16, 1976*

THE FEDERAL Energy Administration Act of 1974, section 15(a), required that I submit to the Congress six months before the expiration of this Act my recommendations for the future of the Federal Energy Administration.

In view of my recent signing of the Energy Policy and Conservation Act of 1975, I have determined that the management of energy policies and programs can best be served by the extension of the Federal Energy Administration until September 30, 1979—thirty-nine months beyond its current termination date of June 30, 1976. This will allow an orderly phasing out of price and allocation controls on domestic oil production over a period of forty months and implementation of other programs called for in that Act.

I have directed Federal Energy Administrator Zarb to seek the authority required to carry out this proposal.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

102

Remarks on Transmitting Proposed Legislation to the Congress To Reconstitute the Federal Election Commission. *February 16, 1976*

IN ONLY 2 weeks time, unless there is affirmative action by the Congress, the Federal Election Commission will be stripped of most of its powers. We must not allow that to happen.

The Commission has become the chief instrument for achieving clean Federal elections. If it becomes an empty shell, public confidence in our political process will be further eroded and the door will be opened to abuses in the coming elections.

We can and we must reconstitute the Commission in the next 2 weeks. I am today submitting essential legislation to get that job done, and I urge the Con-

gress to join with me in quick and effective action. There can be no retreat on an issue so fundamental to our democracy.

Thank you very much.

NOTE: The President spoke at 11:36 a.m. to reporters assembled in the Briefiing Room at the White House.

103

Special Message to the Congress Proposing Legislation To Reconstitute the Federal Election Commission. *February 16, 1976*

To the Congress of the United States:

In only two weeks time, unless there is affirmative action by the Congress, the Federal Election Commission will be stripped of most of its powers.

We must not allow that to happen. The American people can and should expect that our elections in this Bicentennial year, as well as other years, will be free of abuse. And they know that the Federal Election Commission is the single most effective unit for meeting that challenge.

The Commission has become the chief instrument for achieving clean Federal elections in 1976. If it becomes an empty shell, public confidence in our political process will be further eroded and the door will be opened to possible abuses in the coming elections. There would be no one to interpret, advise or provide needed certainty to the candidates with regard to the complexities of the Federal Election law. If we maintain the Commission, we can rebuild and restore the public faith that is essential for a democracy.

The fate of the Commission has been called into question, of course, by the decision of the Supreme Court on January 30. The Court ruled that the Commission was improperly constituted. The Congress gave the Commission executive powers but then, in violation of the Constitution, the Congress reserved to itself the authority to appoint four of the six members of the Commission. The Court said that this defect could be cured by having all members of the Commission nominated by the President upon the advice and consent of the Senate. Under the Court's ruling, the Commission was given a 30-day lease on life so that the defect might be corrected.

I fully recognize that other aspects of the Court's decision and that, indeed, the original law itself have created valid concerns among Members of Congress. I share many of those concerns, and I share in a desire to reform and improve

upon the current law. For instance, one section of the law provides for a one-House veto of Commission regulations, a requirement that is unconstitutional as applied to regulations of an agency performing Executive functions. I am willing to defer legislative resolution of this problem, just as I hope the members of Congress will defer adjustment of other provisions in the interest of the prompt action which is now essential.

It is clear that the 30-day period provided by the Court to reconstitute the Commission is not sufficient to undertake a comprehensive review and reform of the campaign laws. And most assuredly, this 30-day period must not become a convenient excuse to make ineffective the campaign reforms that are already on the books and have been upheld by the Court. There is a growing danger that opponents of campaign reform will exploit this opportunity for the wrong purposes. This cannot be tolerated; there must be no retreat from our commitment to clean elections.

Therefore, I am today submitting remedial legislation to the Congress for immediate action. This legislation incorporates two recommendations that I discussed with the bipartisan leaders of the Congress shortly after the Court issued its opinion.

First, I propose that the Federal Election Commission be reconstituted so that all of its six members are nominated by the President and confirmed by the Senate. This action must be taken before the February 29 deadline.

Second, to ensure that a full-scale review and reform of the election laws are ultimately undertaken, I propose that we limit through the 1976 elections the application of those laws administered by the Commission. When the elections have been completed and all of us have a better understanding of the problems in our current statutes, I will submit to the Congress a new, comprehensive election reform bill to apply to future elections. I also pledge that I will work with the Congress to enact a new law that will meet many of the objections of the current system.

I know there is widespread disagreement within the Congress on what reforms should be undertaken. That controversy is healthy; it bespeaks of a vigorous interest in our political system. But we must not allow our divergent views to disrupt the approaching elections. Our most important task now is to ensure the continued life of the Federal Election Commission, and I urge the Congress to work with me in achieving that goal.

GERALD R. FORD

The White House,
February 16, 1976.

104

Exchange With Daniel Parker, Administrator of the Agency for International Development, on U.S. Disaster Assistance to Guatemala. *February 16, 1976*

THE PRESIDENT. First I want to thank you, Dan, for going to Guatemala as rapidly and as quickly as I asked. And I want to thank you and all of your assistants for doing a good job. I think we also owe a debt of gratitude to the private organizations in this country that have likewise responded.

But if you would, I would appreciate your impressions and your recommendations at this time.

MR. PARKER. Thank you, Mr. President.

This map shows all of Guatemala and it shows within the blue line that area which was most devastated, and within the red lines that which was virtually totally destroyed. It puts the disaster into overall perspective.

Out of 5.8 million, there are over a million who are homeless and 76,000 who have been injured, and over 22,000 that the Government of Guatemala indicates are dead.

To focus in on the severely damaged area—a million people live within this blue area of which 925,000, 90 percent, are homeless; 69,700 of the injured are within this area—21,600 of the dead.

This area of virtually total destruction I toured and there is no way to describe it, Mr. President, other than the fact that it is just incredible.

The impact of the disaster is basically in two ways. It is a disaster upon the poor and it is a disaster, basically, on the rural people.

The people in Guatemala City that were affected were the poor people who lived in shanties and shacks that just came tumbling down. By the nature of the rural construction of the adobe with the heavy tile roof, the walls came down which caved in these heavy tile roofs crushing the people who were sleeping.

THE PRESIDENT. Do I understand that this part here is roughly the size of the District of Columbia?

MR. PARKER. Yes. I would say it would be somewhat larger, and this is part of the problem we are getting in trying to reach it. The terrain is very rugged, very mountainous, and the communications under normal circumstances are not good. When I say communications, I mean roads, telephones, even radio. Under the disaster conditions they were virtually wiped out. So

we have had to use the helicopters. I must say that the U.S. helicopters have been a Godsend and I am sure that that is the way the people of Guatemala look at them, too.

There is another value to them besides the specific measurable value, and that is the psychological value. Their presence makes it known that somebody is there, the United States is there helping.

THE PRESIDENT. Where is our emergency hospital located?

MR. PARKER. It is located in the area of Chimaltenango and it has done its job. It has done a heroic job and we are commencing its phase-down and withdrawal at this time. We are also, Mr. President, beginning the phase-down of some of the helicopters, the heavy helicopters in particular. Trucks are now able to get through into these areas and with that we believe that is the proper way to service it.

THE PRESIDENT. What is the impact on the economy?

MR. PARKER. Well, it is more a disaster of people than it is economics. Now this is not to say that there is not a real economic problem but it is more in the economy of the individual family than it is of the overall national economy. The industrial establishment was not much damaged and it is probably going to get back into production, but that is only 6 percent of the gross national product.

The farms and, of course, the farm buildings were destroyed, but the fields were not and they have had a good harvest. Their export crops—coffee, which mainly goes out through the Pacific ports, bananas, cotton, and sugar, which come out this way—the economic effect will depend on how quickly this road is opened.

THE PRESIDENT. This is that highway where the principal—the population lives?

MR. PARKER. That is correct. It is also the geographic fault line. The principal damage is really in this area right along in here, and we are doing a quick but, I think, very thorough engineering assessment of this.

NOTE: The exchange began at 11:43 a.m. in the Oval Office at the White House. Mr. Parker toured the disaster area February 12–13.

105

Remarks at the Annual Convention of the National Association of Secondary School Principals. *February 16, 1976*

Thank you very, very much, Mr. Walker, Mr. Fallstrom, Mr. Kiernan, Reverend Harper, members and guests of the National Association of Secondary School Principals:

Needless to say, it is a great, great honor to be reinducted, after a few years, into the National Honor Society which I was privileged, fortunate, and probably darn lucky to join in 1930. I have just said to Mr. Walker, this one is a little heavier but the other one meant a great deal more to me in 1930.

On this plaque I do see the Honor Society's requirements—service, scholarship, leadership, and character. As a high school student I was mighty proud to be thought of in those very worthy words, and I am just as proud today to be thought of or thought worthy of them on this occasion. And I thank you very, very much.

Let me also thank you for your invitation to be a part of this program. The agenda for this convention show that your profession is in a time of great change and that you are addressing yourself to that change. Yet in some ways your job has not changed at all since the early days of our Nation's educational system. You still give guidance to the schools which guide our children. You are still the executors of the past and trustees of the future.

In this Bicentennial Year, it is fitting that we should consider where we have been and where we are going. I would like to share with you my vision of education and its role in our Nation's progress for the future.

In our first century as a nation, America developed political institutions responsive to the people. Unity grew from diversity, and education for the people was a crucial part of the Founding Fathers' vision. They knew that ignorance and freedom could not coexist.

A system of general instruction for all citizens, both rich and poor, was the earliest of Thomas Jefferson's public concerns. He led an unsuccessful effort to have the Virginia Assembly support a system of free public schools.

By the time the Constitution was drafted, our Founding Fathers, however, clearly saw education as a State responsibility. Little more than a century later, every State had a tax-supported public school system free and accessible to every child.

In our second century, America's schools and colleges faced great challenges and withstood enormous pressures. They educated millions of immigrant children who spoke no English when they came to our shores. They met the challenging and changing academic career needs of students as the Nation grew more urbanized and more industrialized. American schools contributed greatly to our unprecedented economic growth and the widespread sharing of our economic gains.

Now we are entering our third century. I see this as a century devoted to the fulfillment of the individual citizen. In this century, education will not only prepare young men and women to earn a living, it will also prepare them to live a richer life. It will equip them to make their own decisions rather than permit their futures to be decided for them by others. It will enrich our children's lives, and it will also enrich our life, our Nation, and our life in the future.

Throughout our history, the Federal Government has recognized the value of education and has helped our schools and colleges. Since Abraham Lincoln signed the act creating the land grant colleges, Federal encouragement and assistance to education has been an essential part of the American system. To abandon it now would be to ignore the past and to threaten the future. But we must make Federal aid in the area of education much more effective than it has been in the past.

In the past decade as educational problems of national scope have been identified, we have responded with a wide variety of new Federal programs to meet those needs through assistance to State and local educational agencies. Each of these programs was initiated to meet the goal of improved educational opportunities for a particular segment of our population, but the result of adding program on top of program has been a maze of complex and often confusing Federal guidelines and requirements.

At Federal, State, and local levels we have unwittingly created a heavy burden of varying regulations, differing standards, and overlapping responsibilities. Too often we ask whether Federal forms have been properly filled out, not whether children have been properly educated.

As President, the very first major piece of legislation that I signed 18 months ago was an omnibus education act. It improved the distribution of Federal education funds and the administration of Federal education programs.

Soon I will be sending to the Congress my proposals to continue this improvement—and we must. The thrust of these proposals will be to consolidate Fed-

eral aid to give State and local authority far, far greater flexibility in its use. And I hope you support it.

I make this proposal to untie the redtape that binds you. I want to free you to meet the challenges of our third century, our century of individual fulfillment. Our law and custom place the major responsibility for elementary and secondary public education on State and local units of government, and the record convinces me that decisions about education made on those levels are wiser and far more responsive to community needs than the edicts of the Federal bureaucracy.

The Federal Government, while providing 7 percent of elementary and secondary funding, should not usurp the State and local role. But by consolidating into block grants more than a score of existing programs, we can do a lot better with our Federal dollars in your hands.

At the same time, my proposals would preserve the appropriate national concern for quality education and concentrate available funds on the needs of the handicapped and educationally deprived. Let me add that if we can achieve the kind of consolidation which will lead to a more productive use of Federal dollars, then even within tight budget constraints, we can plan to increase allocations to elementary and secondary school systems throughout the United States.

The budget proposals we will submit with our consolidation proposals will reflect increases for each of the next 3 fiscal years. As we look ahead, we can see our educational system adapting to meet changing needs. This has already proved to be one of its great virtues. In the 1950's, for example, America awakened to the urgent need for improved science and mathematics instruction in our Nation's schools. Our advances in technology over the last two decades show that we have met this challenge. Today, we are faced with another urgent program or problem in our Nation's development.

It is apparent that many citizens are uninformed or, worse, unconcerned about the workings of the government and the execution of their laws. Young people, in particular, appear cynical and alienated from our Government and our legal system. Too many Americans see the law as a threat rather than as a protection. Too few have been taught to understand the way laws are created and administered and peacefully changed. In one poll of Federal workers, more than two-thirds refused to sign an excerpt from the Declaration of Independence. Almost half did not recognize the phrase "We hold these truths to be self-evident."

These are alarming trends for any nation to face. They are especially disturbing to us now as we speak of rededicating ourselves to the enlightened spirit of our country's founders. This is a new challenge to education and this is a new challenge to you and to me, and everybody else concerned with our Nation's future.

If we find this trend distressing, can we, in all honesty, say we find it surprising? Our Nation has undergone severe shocks in the last quarter century. Our children face a world at once richer and more threatening than had ever been imagined—certainly during my lifetime. Our children are less naive, I think, than any previous generation of young people. I know my children have different views about a lot of things than I did at their ages. Yet our classes in government and in so-called civics tend to continue along the same outmoded lines.

In 1971, the American Political Science Association reported that courses presented—in this area—a naive, romanticized approach. The American Bar Association found civic students to be widely alienated by platitudes and chauvinism and the methods of learning by rote. As Emerson said, the secret of education lies in respecting the pupil. This is just as true for teaching them social values as for teaching them anything else.

We cannot perpetuate our value system merely by telling our children that it is good. We can only assure its future by educating our children to admire its strengths, correct its faults, and to participate effectively as citizens as they mature and become a part of our active adult society. Only then will they understand why our social values are worth preserving even though much in our society has changed. Only then will they understand why we still hold these truths to be self-evident.

The growing movement to supply such education gives us reason to be greatly encouraged, yet most of the work in this field clearly remains before us. We must find new ways to teach students about the institutions of law and government which will affect their lives so much and so long. We can perform no finer service for the individual student and for American society than to provide them with this necessary understanding.

One problem is that in this field, as in others, we do not yet really know how to measure the quality of education. Many of the standards we had relied on, I think many believe, have failed us. We thought we could measure quality by the student-teacher ratio. I, for one, did. Yet some studies suggest that class size within a wide range may have no effect on student achievement. We thought we could buy quick miracles in education by spending much, much more

money, but the Coleman report of equality of educational opportunity and subsequent research have cast serious doubts on that idea. It would be far easier if we could measure educational quality in dollars and cents, but apparently we cannot.

Education really relies on people—on the teachers who work in the schools, on the administrators who direct them. The clear and constant measure of educational quality is the degree of your commitment and the leadership that you provide. You deserve the thanks and, even more importantly, the support of all parents and all Americans. And on behalf of them, I thank you.

I understand the theme of this convention is "Cornerstone for Tomorrow." For millions and millions of young Americans, the cornerstone of their tomorrow will be you. I have faith that you will do the job for them, for us, and for those who follow. And I thank you, again, for the opportunity of being with you.

Thank you.

NOTE: The President spoke at 2:15 p.m. in the main ballroom at the Sheraton-Park Hotel. In his opening remarks, he referred to Allan D. Walker, president, Charles M. Fallstrom, president-elect, and Dr. Owen B. Kiernan, executive secretary, National Association of Secondary School Principals, and Rev. John C. Harper, director, St. John's Church.

106

Statement on Signing the Wetlands Loan Extension Act of 1976. *February 17, 1976*

I HAVE today approved H.R. 5608, a bill which provides for the continued authorization of funds with which to purchase wetlands for the protection of migratory waterfowl. However, I am disappointed that the Congress did not accept certain administration recommendations regarding this legislation.

To accomplish the objectives of this program and to do so in the most sound financial manner, this administration had proposed to Congress two changes. First, I proposed that the Secretary of the Interior be authorized to increase the price of the Migratory Waterfowl Hunting Stamp, the so-called "duck stamp," considering both the increasing cost of buying wetlands and other costs incurred in conserving waterfowl. Since 1972, the price of a "duck stamp" has been $5, the maximum allowed by law. Most duck hunters should be willing to pay up to $10 for a stamp to help pay the cost of conserving this resource. A $10 "duck stamp" would double the revenues used to purchase wetlands, making approximately $24 million available annually.

Second, I proposed that the 17 percent of all migratory waterfowl hunters who do not currently need to buy stamps be required to have them. I refer to hunters under the age of 16, who are already required by 36 States to purchase hunting licenses.

Enactment of both proposals would not only have generated more revenues, enabling us to buy wetlands sooner, but would have made the acquisition program more nearly self-financing.

I, therefore, urge the Congress to reconsider these proposals and enact them into law.

NOTE: As enacted, H.R. 5608 is Public Law 94-215 (90 Stat. 189).

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The President's News Conference of *February 17, 1976*

THE PRESIDENT. Good evening. Won't you all sit down, please.

REORGANIZATION OF THE INTELLIGENCE COMMUNITY

[1.] For over a year the Nation has engaged in exhaustive investigations into the activity of the CIA and other intelligence units of our Government. Fact, hearsay, and closely held secrets, all have been spread out on the public record. We have learned many lessons from this experience, but we must not become obsessed with the deeds of the past. We must act for the future.

Tonight I am announcing plans for the first major reorganization of the intelligence community since 1947.

First, I am establishing by Executive order [11905] a new command structure for foreign intelligence. Henceforth, overall policy directions for intelligence will rest in only one place—the National Security Council, consisting of the President, the Vice President, the Secretary of State, and Secretary of Defense. Management of intelligence will be conducted by a single new committee. That committee will be chaired by the Director of Central Intelligence, George Bush. To monitor the performance of our intelligence operations, I am creating a new independent [Intelligence] Oversight Board to be made up of private citizens. Former Ambassador Robert Murphy will chair the Board and two other distinguished citizens—Steve Ailes and Leo Cherne will be the members. All of these units—the National Security Council, the Committee on Foreign

Intelligence, and the Oversight Board—will be responsible to me, so that the President will continue to be ultimately accountable for our intelligence activities.

Second, to improve the performance of the intelligence agencies and to restore public confidence in them, I am issuing a comprehensive set of public guidelines which will serve as legally binding charters for our intelligence activities. The charters will provide stringent protections for the rights of American citizens. I will soon meet with congressional leaders to map our legislation to provide judicial safeguards against electronic surveillance and mail openings. I will also support legislation that would prohibit attempts on the lives of foreign leaders in peacetime.

Third, tomorrow, I will send to the Congress special legislation to safeguard critical intelligence secrets. This legislation would make it a crime for a Government employee who has access to certain highly classified information to reveal that information improperly.

I have been guided by two imperatives. As Americans, we must not and will not tolerate actions by our Government which will abridge the rights of our citizens. At the same time, we must maintain a strong and effective intelligence capability in the United States. I will not be a party to the dismantling of the CIA or other intelligence agencies. To be effective, our foreign policy must be based upon a clear understanding of the international environment. To operate without adequate and timely intelligence information will cripple our security in a world that is still hostile to our freedoms.

Nor can we confine our intelligence to the question of whether there will be an imminent military attack. We also need information about the world's economy, about political and social trends, about food supply, population growth and, certainly, about terrorism.

To protect our security diplomatically, militarily, and economically, we must have a comprehensive intelligence capability. The United States is a peace-loving nation and our foreign policy is designed to lessen the threat of war as well as aggression. In recent years, we have made substantial progress toward that goal—in the Middle East, in Europe, in Asia, and elsewhere throughout the world.

Yet, we also recognize that the best way to secure the peace is to be fully prepared to defend our interests. I believe firmly in peace through strength. A central pillar of our strength is, of course, our armed forces. But another great pillar must be our intelligence community—the dedicated men and women

who gather vital information around the world and carry out missions that advance our interests in the world.

The overriding task now is to rebuild the confidence as well as the capability of our intelligence services so that we can live securely in peace and freedom.

And now ladies and gentlemen, your questions.

Mr. Cormier [Frank Cormier, Associated Press].

QUESTIONS

GEORGE BUSH

[2.] Q. Mr. President, you've talked often lately, including tonight, about the need for a strong intelligence capability. You have appointed a Director of Central Intelligence who has little or no intelligence expertise that I am aware of. And I wondered, what do you see as the advantages of having a relative novice directing the intelligence community?

THE PRESIDENT. I respectfully disagree with your assessment of George Bush's capabilities and background. George Bush was our U.N. Ambassador and did a superb job at the United Nations. George Bush was our representative in the People's Republic of China and in that capacity did extremely well. I have known George Bush for a number of years. I served with him in the House of Representatives where he did a very fine job. I am absolutely convinced he will perform superbly as the Director of the Central Intelligence Agency.

Q. Mr. President, are you arguing that he has intelligence, an intelligence background?

THE PRESIDENT. I think he has the intelligence to do the job and the experience in foreign policy. And, I think, these are major ingredients that make him an outstanding person for this responsibility.

Miss Thomas [Helen Thomas, United Press International].

FORMER PRESIDENT NIXON'S VISIT TO CHINA

[3.] Q. Mr. President, Robert Strauss [1] has suggested that it might behoove you to ask former President Nixon to postpone or cancel his trip to China. There are also reports that you are unhappy because it coincides with the New Hampshire primary. Do you have any plans to ask him to put off the trip?

THE PRESIDENT. I have no such plans. Mr. Nixon is going to the People's Republic of China as a private citizen at the invitation of that Government. I don't

[1] Chairman, Democratic National Committee.

believe for any alleged political purposes that I should intervene with the invitation of a foreign government to have a private American citizen visit that country.

Q. But do you think if the Chinese Government sends a special plane which lands at a military airport, asks for the top media in this country to cover him—some 20 representatives—you send your special briefing books on the change in leadership, and it still is a private trip in their eyes?

THE PRESIDENT. Let me answer several of those questions. You have asked a good many of them.

First, there has been no special briefing given to Mr. Nixon. He has received periodic briefings or information concerning world affairs from the national or Federal Government. There was no special briefing given to him in relationship to this trip.

Whether or not he will land at a civilian or a military airport has not been determined. It is a decision on the part of the Chinese Government as to where they would like to land and they have to ask us which of several airports. If and when we get a specific request, we will act on it.

PRESIDENTIAL RESPONSIBILITY FOR INTELLIGENCE ACTIVITIES

[4.] Q. Mr. President, at first reading on your reform of the Central Intelligence Agency, you seem to be putting the Agency more under the dominance and more under the control of the office of the Presidency, and we know that office has abused the CIA in the past. And I am wondering what you have done to make sure that does not occur again since you are not apparently making an outside agent, outside of the White House, responsible for the CIA?

THE PRESIDENT. I think a President ought to be accountable. And what we have sought to do in this case is to make the process and the decisionmaking fall on the shoulders of the President, and he will be held accountable by the American people. In each of the cases—of the Director of the Central Intelligence or any of the other intelligence agencies—the directives or the guidelines will hold special individuals accountable for what happens in their particular area of responsibility. But the final and the ultimate responsibility falls on the shoulders of the President. In my case, I am willing to assume that responsibility, and I can assure you it will be handled in the most appropriate way.

Q. If you are setting a precedent, though, for future Presidents by giving them more authority over the CIA, would you agree that it also invites the prospect of a temptation for abuse of the CIA?

THE PRESIDENT. It should not happen. And I would hope that the American

people will elect a President who will not abuse that responsibility. I certainly don't intend to.

POLICY DIFFERENCES BETWEEN PRESIDENT FORD AND RONALD REAGAN

[5.] Q. Mr. President, last weekend in Florida you suggested that anyone to the right of you politically could not be elected as President. Newsmen assumed you were referring to Ronald Reagan, but you were not entirely specific, and I would like to pin you down now.

Do you believe that Reagan is so far to the right that he cannot win a national election? And, if you do believe that, I would like to know what you base your opinion on, especially in light of the fact that he was twice elected Governor of the most populous State in the country by large margins?

THE PRESIDENT. I was referring to anybody in either political party who is to the right of me, and there are some in the Democratic Party and some—I think Governor Reagan is to the right of me philosophically. It seems to me that there are some differences, for example, between Governor Reagan and myself.

Let's take the issue of social security. He has suggested, from time to time, that it ought to be voluntary, not mandatory as it is under the existing law. He has suggested that maybe the funds from the social security program ought to be invested in the stock market. I disagree with both of those proposals. I believe in the firm integrity of the social security program, and the way I have suggested, it seems to me, is the better approach.

Governor Reagan has suggested a $90 billion cut in Federal expenditures, transferring the responsibilities and the programs to the local and State officials where they either have to abandon the programs or raise taxes to support them. I disagree with that approach.

I think that the better way to do it is to take the Federal funds and transfer them to the State and local units of government so that those services can be provided at the State and local level much more effectively.

These are some of the differences that exist between Mr. Reagan and myself. It is a somewhat different philosophy.

Q. But specifically, do you believe he cannot win a national election?

THE PRESIDENT. I believe that anybody to the right of me, Democratic or Republican, can't win a national election.

NEW HAMPSHIRE AND FLORIDA PRIMARIES

[6.] Q. Mr. President, are you ready to say now flatly that you are confident of winning the New Hampshire and/or the Florida primary?

THE PRESIDENT. I think we will do well in both. I certainly was greatly encouraged by the 2 days we were in Florida last weekend. The crowds were very large. The enthusiasm of not only my party workers but the public, generally, was extremely encouraging. We are going to New Hampshire on Thursday and Friday of this week, and I am led to believe that we will be warmly received there. So, I am encouraged in both cases.

Q. Do you expect to win?

THE PRESIDENT. Well, when I say I am encouraged, I think that is quite indicative that I think I will do very well.

REORGANIZATION OF THE INTELLIGENCE COMMUNITY

[7.] Q. Mr. President, your opening remarks concerning the Central Intelligence Agency sounded considerably like an official secrets act which applies in Great Britain. Now, this act has been criticized as being beyond the constitutional realm that we apply here in the United States.

First of all, do you agree with that assessment? And secondly, wouldn't—if you received this kind of legislation—wouldn't this in the future prevent the kind of disclosures which have brought out the abuses in the Central Intelligence Agency?

THE PRESIDENT. I categorically disagree with your assessment. It is a great deal different from the official secrets act that prevails in Great Britain. As a matter of fact, this is much more restrictive on the foreign intelligence community in the United States than anything that has been in existence in the past.

There are a number of specific limitations as to what foreign intelligence agencies in the United States can do. They are spelled out, and there is an official charter for each one of the intelligence agencies.

And I am recommending to the Congress several very specific pieces of legislation which are, I think, constructive and quite contrary to the impression you left with your question.

For example, I am recommending that the Attorney General proceed to work with the Congress to establish legislation for electronic surveillance so that he, representing the administration, would have to go to the court to get the authority even in national security matters. Under the present setup, the Attorney General can simply do it without going to the court if it involves national security. This is quite contrary to the impression that you raised with the question that you asked.

So, I think we are going down the middle trying to make certain and positive

that the intelligence capability of this country is first class and, at the same time, that the rights of individuals are adequately protected.

Q. The second part of my question, Mr. President, was whether the legislation to prevent leaks in the third point of your opening remarks would not mean that the United States would once again be subjected, perhaps in the future, to abuses that had been exposed through the fact that people were not put in jail by leaking information?

THE PRESIDENT. Well, under the organization that I have established or will establish tomorrow, and under the legislation that I have recommended, there won't be any abuses, and the people, if there are any abuses, will be held accountable. So, I don't feel at all apprehensive that what happened in the past will be repeated in the future.

THE PRESIDENT'S FINANCIAL STATEMENT

[8.] Q. Mr. President, your financial statement that was released earlier in the week shows that despite some very heavy tax bites for Federal and State taxes, you ended up with about $135,000 in expendable income last year. It also showed that you made no investments and that you were not able to save any of that. Can you tell us how you can spend $2,600 a week when you don't have to pay any rent or any mortgage payments? [*Laughter*]

THE PRESIDENT. I am glad that you were scrutinizing my complete and full disclosure of my financial activities. Let me say this: During that period of time, I had at least three of my four children in college, and most of you know that that is not a cheap operation. I paid for it. They didn't borrow any money, they didn't get any scholarships, et cetera. That accounts for part of it. And, quite frankly, I have sought to help my children so that at the time when I am no longer in a position to help them financially, I have made some investments for them, which is perfectly permitted under our laws of this country.

So between supporting them in college and trying to help them get a start when they get through college, I think we can account for every penny.

CONGRESSIONAL DISCLOSURE OF CLASSIFIED INFORMATION

[9.] Q. Mr. President, you have not said anything about Members of Congress who reveal classified information. Does that concern you?

THE PRESIDENT. It does, and we have had some experiences. And I am not pointing a finger at anybody, but certain information which we supplied to the Congress—to the House of Representatives—to a committee of the House—somehow either through a Member or through a staff member, highly classified material has been made public. This is something that the Congress, I think,

has to address itself to. The Constitution protects a Member of the Congress, but it does not protect the illegal making of such information public for a staff member. But I think the Congress has to clean up its own house, and I have urged them to do so. And I hope they will.

Q. Mr. President, until they take some steps in that direction, will this affect your providing classified information to Capitol Hill?

THE PRESIDENT. In the case of most committees, we have had no trouble whatsoever. There has been good cooperation. The arrangements have been lived up to. On the other hand, even after the House of Representatives, by almost a 2 to 1 margin, said a report that had highly classified information in it should not be released, it was leaked to certain individuals and to certain publications.

I think the House of Representatives ought to take some action. We have agreed to cooperate with them in whatever legal way they would ask us to do so. But I think it is a very serious matter, what happened in this one case.

RESPONSIBILITIES OF THE OVERSIGHT BOARD AND THE 40 COMMITTEE

[10.] Q. Mr. President, will your new Oversight Board supersede the 40 Committee?

THE PRESIDENT. No. We have an Oversight Committee composed of three members: Ambassador Murphy, Steve Ailes, and Leo Cherne. That is a group that looks to make certain that there are no violations of the new restrictions and has an oversight responsibility working with the inspector generals in each of the intelligence agencies.

The 40 Committee is having a name change and some change in personnel. It will now be given a new name, but it will have on it the following people: It will have the Assistant to the President for National Security Affairs, it will have the Secretary of State, the Secretary of Defense, the Director of Intelligence, George Bush, the Chairman of the Joint Chiefs of Staff. It will have two observers—one, the Attorney General and, two, the Director of the Office of Management and Budget.

So there are two separate organizations—the one I just described to handle covert operations recommended to the National Security Council and to me as President, and the Oversight Board, which will check up on any abuses.

PROHIBITION OF ASSASSINATION ATTEMPTS ON FOREIGN LEADERS

[11.] Q. Mr. President, in your opening statement on intelligence, you said that you would support legislation that would prohibit attempts on the

lives of foreign leaders. Was it your intention to leave open the possibility of attempts on the lives of people in other cases—that is, people who are not leaders—and, if so, will your specific guidelines to the intelligence community address itself to this problem?

THE PRESIDENT. I have said previously that I would not condone or authorize assassinations, period—certainly not in peacetime. So the legislation, I trust, will follow those guidelines.

UNEMPLOYMENT LEGISLATION

[12.] Q. Mr. President, to turn to another subject—unemployment—in your State of Michigan, it covers around 13 percent, which is above the 8.5 national average, and you are vetoing the public works bill. As a compromise, do you smile upon Senator Griffin's bill as a compromise?

THE PRESIDENT. I think it is a far better piece of legislation than the legislation that the Congress passed and I have vetoed. The bill that came down to the White House really is a hoax. It is a campaign year document. It allegedly says it will provide 800,000 jobs. The truth is it will provide no more than 100,000 to 120,000 jobs at a cost—and this is the unbelievable part—of $25,000 per job.

Now, we can do a better job using that money elsewhere. So, I vetoed it. I hope that we can get it sustained. And, If the Congress comes back with a proposal recommended by Senator Griffin and Congressman Garry Brown which provides for the channeling of Federal funds of significantly less amounts into programs that are ready to go at local levels in areas where the unemployment is over 8 percent and as long as the national unemployment is over 7 percent, it would provide for about $750 million. It could be done quickly. It could be done much more cheaply, and it will be far more effective.

Now, it seems to me that the bill that I vetoed cannot be defended in any way whatsoever. The cost is high per job. It will be late in being implemented. Actually, the jobs won't be available for almost 9 months to 18 months. We hope and expect to be out of the problems we are in, significantly, by that time. So, the alternatives suggested by Senator Griffin and Congressman Brown are far, far better.

FBI INTELLIGENCE GUIDELINES

[13.] Q. Mr. President, you made no reference in your opening statement to abuses by the FBI, and some of the greatest abuses in the intelligence gather-

ing were conducted by that agency. What do you have in mind for putting more severe controls on the FBI in intelligence gathering?

THE PRESIDENT. The Attorney General is in the process right now of writing very strict guidelines involving the activities of the FBI, and he expects to have those guidelines available and in place and effective within a relatively short period of time. And those guidelines will take care of the problems that you have raised.

CONGRESSIONAL OVERSIGHT OF THE INTELLIGENCE COMMUNITY

[14.] Q. Mr. President, as I understand it then, those guidelines would be the result of Executive action, and, as I understand it as well, much of what you propose here this evening will be the result of Executive actions, some of which you have already taken. Do you foresee no role for the Congress in oversight of intelligence-gathering activity at the time that it is going on, either foreign or domestic?

THE PRESIDENT. I will issue Executive orders involving the foreign intelligence agencies. The Attorney General will do it as it affects the FBI. The Congress, I hope, will establish a joint committee along the format of the Joint Atomic Energy Committee, and this committee called—if this is the proper title, it is up to the Congress, of course—the Joint Intelligence Committee, would have an oversight responsibility as to the programs and the performance of the intelligence communities in the Federal Government.

FORMER PRESIDENT NIXON'S VISIT TO CHINA

[15.] Q. Mr. President, following up on Helen's questions, you were asked about the Nixon trip last weekend, and you said in part that it was "wholesome and healthy for private citizens to make these sorts of trips to China." You have mentioned again tonight that former President Nixon is going as a private citizen. With all due respect, Richard Nixon is not exactly your run-of-the-mill private citizen. I would like to ask if you really think it is wholesome and healthy for the conduct of American foreign policy for Mr. Nixon to be making this trip?

THE PRESIDENT. He is not going there involving any foreign policy matters. He is going as a guest of the Chinese Government, and he is going as a private citizen. He has not had any special briefings. He is going under the guidelines that I have suggested.

Q. You see no complications at all to foreign policy in his trip?

THE PRESIDENT. None whatsoever.

MISUSE OF THE SECRECY CLASSIFICATION SYSTEM

[16.] Q. Mr. President, you are concerned considerably over leaks of classified information, national security information, and so on. So, I would like to ask what steps you are taking to assure the public that no one in your administration misuses the classification system or the secrecy label to cover his own policy mistakes.

THE PRESIDENT. The recommendations that I will make include that every employee of the executive branch of the Government sign a statement to the effect that he will not divulge classified information and that he expects punishment for such a release of that information. In addition, I will ask for specific legislation making it a criminal offense for the release of such information. And that, I think, protects the Government against any unauthorized leaks of classified secret information. Now, the Oversight Board and the NSC will take care of any failure to act properly in a noncriminal matter.

Q. I would like to ask the question again, because I think that perhaps we are talking about two different things. Suppose, for example, a member of your administration misused the label "official secrecy" to cover a policy error or a mistake that he made, and clamped a secret label on it so that this mistake would not get out. What steps are you taking to assure the public that this does not happen?

THE PRESIDENT. We have made the head of the Central Intelligence Agency, the head of the Defense Intelligence Agency, the head of the other agencies responsible for the conduct of people working for them, and we have an inspector general system that, I think, will make sure that the other people do their jobs properly.

PHILOSOPHICAL DIFFERENCES BETWEEN PRESIDENT FORD AND RONALD REAGAN

[17.] Q. It is my recollection, Mr. President, that a couple of weeks ago in an interview with Walter Cronkite [2] you said that there were no real philosophical differences between yourself and Ronald Reagan. I just wonder, when did you decide that there were some differences?

THE PRESIDENT. Fundamentally, I don't think there are any philosophical differences. There are some pragmatic differences, and these I tried to explain earlier today. I have to make hard decisions as to what legislation I will sign or what legislation I will recommend. That is quite different from being able

[2] The President was interviewed by Walter Cronkite of CBS News on February 3 in the Oval Office at the White House.

to propose a plan or a program in words. One is a very hard decision; the other is very easy to say. And I tried to illustrate those pragmatic differences in the carrying out of a basic, moderate, conservative philosophy.

Q. But you are saying when he is much to the right of you and so forth, that that is not a philosophical difference then?

THE PRESIDENT. Well, I think he is to the right of me in a pragmatic and practical way.

DISCRIMINATION BY PRIVATE ORGANIZATIONS

[18.] Q. Mr. President, during the Nixon administration, guidance was issued to Federal executives that their activities should never support or appear to lend support to private organizations which practiced exclusionary discrimination. Does your administration follow that same rule?

THE PRESIDENT. Was that an Executive order?

Q. It was an order that Federal executives' activities should never lend support or appear to lend support to private organizations which practiced exclusionary discrimination.

THE PRESIDENT. I would assume that we carry out the same policy.

Q. Then, can I ask you, Mr. President, why then you lend the prestige of your high office to discrimination by golfing at Burning Tree Country Club which excludes women?

THE PRESIDENT. Well, there are—no Federal funds go to Burning Tree.

FOOD PRICES

[19.] Q. Mr. President, on food prices it is reality that each year, not seasonal, not monthly, but each year, food prices go up as part of inflation. Now, addressing yourself to the housewife—rising food prices—can you say to her that's something she should accept as a normal way of life or can you project 1 year, 2 years, or what, that inflation will end on food and come back to what is called normal?

THE PRESIDENT. We have made substantial progress in combating inflation. When I became President, the cost of living was over 12 percent per year. It is down in the range of about 6 percent at the present time.

We had some very good results announced last Friday in the Wholesale Price Index. As a matter of fact, as I recall, the food factor in the Wholesale Price Index, as reported last Friday, was a minus, not an increase. And I think we are getting a good, effective handle on the question of inflation—not as good as we want, but we have cut it over 50 percent since I have been President, and we are making increased progress in this regard. I think that

we are achieving, particularly in the area of food, a better balance than we have had for a long, long time.

Q. Well, that is why in my original question I rule out seasonal or monthly. The reality is that over the years food prices continue to go up. The price may remain the same, Mr. President, on an item, but the quantity has been diminished.

THE PRESIDENT. Well, when I became President, as I recall, the food prices that year had gone up something like 20 percent. It is now estimated that food prices in this calendar year will increase somewhere between 4 and 5 percent. That is a significant improvement. It, I think, ought to get a little praise rather than condemnation. From 20 percent down to 4 or 5 percent is a lot of progress.

REPORTER. Thank you.

NOTE: President Ford's twenty-seventh news conference began at 8 p.m. in the East Room at the White House. It was broadcast live on radio and television.

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Message to the Senate Transmitting the United States-Spain Friendship and Cooperation Treaty. *February 18, 1976*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty of Friendship and Cooperation between the United States of America and Spain, signed at Madrid on January 24, 1976, together with seven Supplementary Agreements and eight related exchanges of notes. For the information of the Senate, I transmit also the report of the Department of State with respect to the Treaty.

I believe this Treaty will promote United States interests and objectives relating to Spain and western security. With the advice and consent of the Senate to ratification, the Treaty would serve to provide a firm basis for a new stage in United States-Spanish relations, reflecting United States support for and encouragement of the important evolution which has begun in Spain and to which the Spanish Government renewed its commitment in connection with the signing of the Treaty. The Treaty reflects the mutual conviction of Spain and the United States that the proper course of this evolution should include, as major objectives, the integration of Spain into the institutions of Europe and the North Atlantic defense system and should include a broadly based cooperative rela-

tionship with the United States in all areas of mutual interest. The Treaty should contribute positively to the achievement of these goals.

In the area of western security, the agreement provides for a continuation of the important contribution made by Spain through facilities and related military rights accorded United States forces on Spanish territory. The agreement reflects a careful balancing of Spanish concerns with the changing requirements of United States military deployment. As a new development of the United States-Spanish defense relationship, the Treaty establishes mechanisms and guidelines, such as those reflected in the provisions dealing with military planning and coordination, to help develop an active Spanish contribution to western security, a contribution which complements and is coordinated with existing arrangements. The Treaty does not expand the existing United States defense commitment in the North Atlantic Treaty area nor does it create an additional bilateral one. Finally, the Treaty pledges military assistance to the Spanish armed forces in their program of upgrading and modernization. The major portion of that assistance is in the form of loan repayment guarantees. The actual cost to the United States taxpayer is expected to be far lower than the figures listed in the agreement.

I recommend that the Senate give prompt consideration to the Treaty and consent to its ratification.

GERALD R. FORD

The White House,
February 18, 1976.

NOTE: The treaty and accompanying papers are printed in Senate Executive E (94th Cong., 2d sess.).

109

Message to the Senate Transmitting the United States-Switzerland Treaty on Mutual Assistance in Criminal Matters. *February 18, 1976*

To the Senate of the United States:

I transmit herewith the Treaty between the United States of America and the Swiss Confederation on Mutual Assistance in Criminal Matters, signed at Bern on May 25, 1973, six exchanges of interpretative letters of the same date, and an exchange of interpretative letters dated December 23, 1975. I urge that the Senate advise and consent to ratification of the Treaty and related matters.

The Treaty is the first major international agreement by the United States aimed at obtaining information and guidance needed for criminal investigations and prosecutions. Cooperation of this kind with Switzerland is uniquely important because of its position as an international financial center. Despite the general cooperation of Swiss authorities in criminal cases, the procedures for obtaining needed information have been generally ponderous and inadequate. Despite this cooperation, United States law enforcement and investigative agencies have frequently encountered severe difficulties in obtaining needed information from Swiss banks because of banking secrecy laws.

The new Treaty, as implemented by Swiss legislation, should open up new avenues of cooperation in Switzerland and greatly facilitate the work of the United States law enforcement and prosecutive agencies, especially in dealing with cases involving organized crime. Assistance will extend to ascertaining the whereabouts of persons, taking testimony, producing and preserving judicial and other documents, records and evidence, and serving and authenticating judicial and administrative documents.

The Treaty is expected to provide a useful and significant tool in combating crime and bringing offenders to justice. I recommend that the Senate give the Treaty and related letters prompt consideration and consent to their ratification.

GERALD R. FORD

The White House,
February 18, 1976.

NOTE: The treaty and accompanying papers are printed in Senate Executive F (94th Cong., 2d sess.).

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Special Message to the Congress Proposing Legislation To Reform the United States Foreign Intelligence Community. *February 18, 1976*

To the Congress of the United States:

By virtue of the authority vested in me by Article II, Section 2 and 3 of the Constitution, and other provisions of law, I have today issued an Executive Order [11905] pertaining to the organization and control of the United States foreign intelligence community. This order establishes clear lines of accountability for the Nation's foreign intelligence agencies. It sets forth strict guidelines to control the activities of these agencies and specifies as well those activities in which they shall not engage.

In carrying out my Constitutional responsibilities to manage and conduct foreign policy and provide for the Nation's defense, I believe it essential to have the best possible intelligence about the capabilities, intentions and activities of governments and other entities and individuals abroad. To this end, the foreign intelligence agencies of the United States play a vital role in collecting and analyzing information related to the national defense and foreign policy.

It is equally as important that the methods these agencies employ to collect such information for the legitimate needs of the government conform to the standards set out in the Constitution to preserve and respect the privacy and civil liberties of American citizens.

The Executive Order I have issued today will insure a proper balancing of these interests. It establishes government-wide direction for the foreign intelligence agencies and places responsibility and accountability on individuals, not institutions.

I believe it will eliminate abuses and questionable activities on the part of the foreign intelligence agencies while at the same time permitting them to get on with their vital work of gathering and assessing information. It is also my hope that these steps will help to restore public confidence in these agencies and encourage our citizens to appreciate the valuable contribution they make to our national security.

Beyond the steps I have taken in the Executive Order, I also believe there is a clear need for some specific legislative actions. I am today submitting to the Congress of the United States proposals which will go far toward enhancing the protection of true intelligence secrets as well as regularizing procedures for intelligence collection in the United States.

My first proposal deals with the protection of intelligence sources and methods. The Director of Central Intelligence is charged, under the National Security Act of 1947, as amended, with protecting intelligence sources and methods. The Act, however, gives the Director no authorities commensurate with this responsibility.

Therefore, I am proposing legislation to impose criminal and civil sanctions on those who are authorized access to intelligence secrets and who willfully and wrongfully reveal this information. This legislation is not an "Official Secrets Act", since it would affect only those who improperly disclose secrets, not those to whom secrets are disclosed. Moreover, this legislation could not be used to cover up abuses and improprieties. It would in no way prevent people from reporting questionable activities to appropriate authorities in the Executive and Legislative Branches of the government.

It is essential, however, that the irresponsible and dangerous exposure of our Nation's intelligence secrets be stopped. The American people have long accepted the principles of confidentiality and secrecy in many dealings—such as with doctors, lawyers and the clergy. It makes absolutely no sense to deny this same protection to our intelligence secrets. Openness is a hallmark of our democratic society, but the American people have never believed that it was necessary to reveal the secret war plans of the Department of Defense, and I do not think they wish to have true intelligence secrets revealed either.

I urge the adoption of this legislation with all possible speed.

Second, I support proposals that would clarify and set statutory limits, where necessary, on the activities of the foreign intelligence agencies. In particular, I will support legislation making it a crime to assassinate or attempt or conspire to assassinate a foreign official in peacetime. Since it defines a crime, legislation is necessary.

Third, I will meet with the appropriate leaders of Congress to try to develop sound legislation to deal with a critical problem involving personal privacy—electronic surveillance. Working with Congressional leaders and the Justice Department and other Executive agencies, we will seek to develop a procedure for undertaking electronic surveillance for foreign intelligence purposes. It should create a special procedure for seeking a judicial warrant authorizing the use of electronic surveillance in the United States for foreign intelligence purposes.

I will also seek Congressional support for sound legislation to expand judicial supervision of mail openings. The law now permits the opening of United States mail, under proper judicial safeguards, in the conduct of criminal investigations. We need authority to open mail under the limitations and safeguards that now apply in order to obtain vitally needed foreign intelligence information.

This would require a showing that there is probably cause to believe that the sender or recipient is an agent of a foreign power who is engaged in spying, sabotage or terrorism. As is now the case the criminal investigations, those seeking authority to examine mail for foreign intelligence purposes will have to convince a federal judge of the necessity to do so and accept the limitations upon their authorization to examine the mail provided in the order of the court.

Fourth, I would like to share my views regarding appropriate Congressional oversight of the foreign intelligence agencies. It is clearly the business of the Congress to organize itself to deal with these matters. Certain principles, however, should be recognized by both the Executive and Legislative Branches if this oversight is to be effective. I believe good Congressional oversight is essential

so that the Congress and the American people whom you represent can be assured that the foreign intelligence agencies are adhering to the law in all of their activities.

Congress should seek to centralize the responsibility for oversight of the foreign intelligence community. The more committees and subcommittees dealing with highly sensitive secrets, the greater the risks of disclosure. I recommend that Congress establish a Joint Foreign Intelligence Oversight Committee. Consolidating Congressional oversight in one committee will facilitate the efforts of the Administration to keep the Congress fully informed of foreign intelligence activities.

It is essential that both the House and the Senate establish firm rules to insure that foreign intelligence secrets will not be improperly disclosed. There must be established a clear process to safeguard these secrets and effective measures to deal with unauthorized disclosures.

Any foreign intelligence information transmitted by the Executive Branch to the Oversight Committee, under an injunction of secrecy, should not be unilaterally disclosed without my agreement. Respect for the integrity of the Constitution requires adherence to the principle that no individual member nor committee, nor single House of Congress can overrule an act of the Executive. Unilateral publication of classified information over the objection of the President, by one committee or one House of Congress, not only violates the doctrine of separation of powers, but also effectively overrules the actions of the other House of Congress, and perhaps even the majority of both Houses.

Finally, successful and effective Congressional oversight of the foreign intelligence agencies depends on mutual trust between the Congress and Executive. Each branch must recognize and respect the rights and prerogatives of the other if anything is to be achieved.

In this context, a Congressional requirement to keep the Oversight Committee "fully" informed is more desirable and workable as a practical matter than formal requirements for notification of specific activities to a large number of committees. Specifically, Section 662 of the Foreign Assistance Act, which has resulted in over six separate committee briefings, should be modified as recommended by the Commission on the Organization of the Government for the Conduct of Foreign Policy, and reporting should be limited to the new Oversight Committee.

Both the Congress and the Executive Branch recognize the importance to this Nation of a strong intelligence service. I believe it urgent that we take the steps I have outlined above to insure that America not only has the best foreign

intelligence service in the world, but also the most unique—one which operates in a manner fully consistent with the Constitutional rights of our citizens.

GERALD R. FORD

The White House,
February 18, 1976.

111

Remarks Upon Signing a Proclamation Concerning Japanese-American Internment During World War II. *February 19, 1976*

FEBRUARY 19 is the anniversary of a very, very sad day in American history. It was on that date in 1942 that Executive Order 9066 was issued resulting in the uprooting of many, many loyal Americans. Over 100,000 persons of Japanese ancestry were removed from their homes, detained in special camps, and eventually relocated.

We now know what we should have known then—not only was that evacuation wrong but Japanese-Americans were and are loyal Americans. On the battlefield and at home the names of Japanese-Americans have been and continue to be written in America's history for the sacrifices and the contributions they have made to the well-being and to the security of this, our common Nation.

Executive Order 9066 ceased to be effective at the end of World War II. Because there was no formal statement of its termination, there remains some concern among Japanese-Americans that there yet may be some life in that obsolete document. The proclamation [4417] that I am signing here today should remove all doubt on that matter.

I call upon the American people to affirm with me the unhyphenated American promise that we have learned from the tragedy of that long ago experience—forever to treasure liberty and justice for each individual American and resolve that this kind of error shall never be made again.

NOTE: The President spoke at 11:54 a.m. at a ceremony in the Cabinet Room at the White House.

112

Remarks at the Swearing In of Anne L. Armstrong as United States Ambassador to the United Kingdom. *February 19, 1976*

Anne and Tobin and Mr. Justice Powell and Mrs. Ford, as well as all the other distinguished guests:

This is one of the nicest experiences that I have been able to perform in some 18 months. Of course, you are all familiar with the outstanding person that we have recommended to be the Ambassador to the Court of St. James. I am sure all of you know that she was unanimously approved by the Senate which is, I think, somewhat historic.

But, in addition, I think we all know Anne Armstrong. I don't have to repeat for all her friends her many jobs that she has had, whether it was in the Cabinet in the executive branch of the Government, whether it was in the Republican Party where she served from vice chairman on down to precinct worker, or whether it is in the many, many activities that she participated in—working with Spanish Americans out in the great State of Texas or working on behalf of the cause of women in Mexico or in the United States or otherwise. Wherever she has done something, she has done a superb job. So, when the opening became available in the Court of St. James, I just could not think of a better person for that responsibility than Anne Armstrong.

Betty is always needling me a little bit that I should appoint qualified, highly competent women to positions of great responsibility. Well, in Anne Armstrong I have made such an appointment. And I am confident that she will do a superb job in carrying out the good relations that we have with the United Kingdom.

We have had, of course, a long, long relationship with Great Britain. The relations today, I think, are as good as they have ever been. I have had some exceptionally fine experiences with the Prime Minister. Our former Ambassador knows with his service there that our relations, country-to-country, are excellent.

So you go to Great Britain, Anne, with everything in good shape. I know you will keep those relations through your personality, through your ability, through your diligence. You not only can have an impact on those relations but you can have a significant impact on our relations within NATO itself, because both countries, of course, are significant partners in the NATO organization.

I am just so pleased that Anne is here with Tobin and all of her friends. It is a great occasion to participate in the swearing in of the first woman to ever

represent the United States to the Court of St. James. So it is an historic first with really one of our most outstanding women.

And with those words I will ask Mr. Justice Powell to perform the swearing-in ceremony.

NOTE: The President spoke at 2:05 p.m. in the Cabinet Room at the White House. In his opening remarks, he referred to Tobin Armstrong, Mrs. Armstrong's husband.

Lewis F. Powell, Jr., Associate Justice of the Supreme Court, administered the oath of office.

Ambassador Armstrong's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 246).

113

Statement on Senate Action Sustaining Veto of a Public Works Employment Bill. *February 19, 1976*

I AM pleased that the Senate of the United States has sustained my veto of H.R. 5247, the Public Works Employment Act of 1975. Their action this afternoon in sustaining this veto is commendable, and those Members of the Congress who stood firm against enormous political pressures in favor of this bill deserve the appreciation and gratitude of all Americans.

As I said last Friday in my veto message to the House of Representatives on this bill,[1] the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. This is the core of my economic policy, and I believe that the steady improvements in the economy over the last half year on both the unemployment and inflation fronts bear witness to its essential wisdom. I will continue this basic approach in dealing with the economy, because it is sound and it is working.

114

Special Message to the Congress Proposing Guatemala Disaster Relief Legislation. *February 19, 1976*

To the Congress of the United States:

On February 4th a devastating earthquake struck Guatemala. That earthquake, together with its aftershocks, has left over 22,000 dead, more than 75,000 injured, and one million homeless.

[1] See Item 83.

The United States has a special responsibility to help meet the urgent needs in Guatemala. Immediate aid has already been extended by U.S. agencies, both public and private, including:

- Emergency shelters, medical supplies and food provided by the Agency for International Development.
- Transportation and medical facilities provided by the Department of Defense.
- Food distribution, medical services, and other disaster relief activities provided by numerous private voluntary agencies.

Last week I dispatched my Special Coordinator for International Disaster Assistance—AID Administrator Daniel Parker—to Guatemala for a firsthand review of the situation.[1] He has now reported to me and to Congressional Committees on the extent of damage and need. Both the Senate and the House of Representatives have passed resolutions expressing sympathy for the people of Guatemala in their hour of distress and urging development of a comprehensive U.S. response. The Secretary of State will visit the Republic of Guatemala on February 24 to express further our support for the people of Guatemala.

I am now proposing urgent and specific action to turn these expressions of sympathy into tangible assistance. The proposed $25 million "Guatemala Disaster Relief Act of 1976" which I am sending herewith represents an immediate humanitarian response of the United States to the victims of this tragedy who have been injured or have lost their relatives, their homes and possessions, and in many cases their very means of existence.

This legislation, and the ensuing appropriation, will enable us to respond to the human tragedy in Guatemala. Our response will reflect America's concern for the people of Guatemala.

GERALD R. FORD

The White House,
February 19, 1976.

NOTE: The text and a section-by-section analysis of the draft bill were included as part of the release.

[1] See Item 103.

115

Exchange With Reporters on Arrival at Keene, New Hampshire. *February 19, 1976*

HI, EVERYBODY. I just wanted to say a word or two. First, to say it is real nice to be back in Keene—I remember the wonderful welcome that was given to me last September when I came through here on the campaign.

But, substantively, let me say that it is extremely encouraging that the United States Senate, by a good margin, did sustain the veto of a bill that I think could not be justified—it was election year politicking, it was pork barrel of the worst kind.

The best way to solve our economic problems is the firm, commonsense, realistic approach that I have tried to carry out. And I appreciate very much the Members of the Senate, both Republican as well as Democrats, who stood up and turned down a bad piece of legislation so that we won't add to the deficit, so we will be able to have a good economic program that will reduce unemployment, which will increase employment, and do something affirmatively about the problems of inflation.

It is real nice to be here, and I look forward to spending a good day and a half in New Hampshire.

REPORTER. Mr. President, this is your second trip here now. Just how important is New Hampshire to your cause in election terms?

THE PRESIDENT. Well, I think New Hampshire is a very important State. The eyes of the Nation are in this State. I think we will do well. I am confident that the two trips will be extremely helpful, hopefully, and I think encouragingly getting enough votes.

Q. If per chance you do lose, how badly do you——

THE PRESIDENT. I don't think it will be too harmful because there are 49 other States where either by primaries or by conventions there will be delegates selected. As I have said before, I am entering every primary—31 altogether. I think that is the best way for a candidate seeking the nomination of his party. I don't agree with those who pick and choose States where they think they can win and duck those where they think they might lose. I am willing to take my chances in every State.

Q. Mr. President, if you were to lose here, would you welcome the Vice President into the campaign as a candidate for your office?

THE PRESIDENT. The Vice President is out talking affirmatively for my pro-

grams. I don't see any reason whatsoever for the Vice President to seek this office. He has indicated that he is very happy being Vice President, supporting my programs, and he has been very supportive of me personally.

Q. If you were to lose three or four primaries, do you think that situation would continue to obtain?

THE PRESIDENT. I intend to be at the convention in Kansas City in August and I expect to win there.

Q. Did you read his speech today——

THE PRESIDENT. I have read it and I talked to him personally.

Q. Did you regard that as a supportive opinion?

THE PRESIDENT. I think so, yes. In fact, he told me it was. And I saw him at about 3:30 before I took the plane here.

Very nice to see you all.

REPORTER. Thank you.

NOTE: The exchange began at 5:10 p.m. at Dillant Hopkins Airport.

116

Remarks and a Question-and-Answer Session at a Public Forum in Keene. *February 19, 1976*

Thank you very, very much, Jim, John Croteau, Reverend McCarty, Bob Clark, Charlie Burns, the wonderful principal of this fine school, ladies and gentlemen:

Gee, it's really great to be back in New Hampshire and particularly in Keene, and I thank you all very, very much. Let me assure you that New Hampshire is vitally important, and you can put us on the road to victory next Tuesday.

Actually, the purpose of my visit can be summed up in just a very, very few words. I believe very strongly in a strong and prosperous American automobile industry, but I am here to say that this year there is absolutely no reason to trade in your Ford on a new model. Some of those new models might be mighty expensive.

ADMINISTRATION GOALS

Actually, I am looking forward to your questions, but first let me make just a very few brief remarks.

I have been President now for almost 19 months. When I took office in August of 1974, America was faced with some of its most pressing and serious problems in our country's history. Our economy had gone haywire with prices going up at an annual rate of more than 12 percent and everything else slowing down. Our national resolve to meet our international commitments was being called into question by both our allies and our adversaries. There was great danger to peace in many, many areas throughout the world.

Underlying these serious problems was a crisis of confidence in our Government, a crisis of the spirit among our American people. With the understanding of the American people, with your prayers and your support and your help, I set about to do what I could to meet those challenges, to put America at peace with itself and throughout the world. The past 19 months have seen many of these efforts succeed. I believe my policy of common sense and a realistic approach to America's problems has helped restore confidence in our great Government.

As I said on my first day as President, "truth is the glue that holds government together," and as long as I am President, I intend to be forthright, candid, frank with all of the American people and make this system work the way it should work.

America's economic picture is considerably brighter today than it was 18 months ago. The inflation rate that was over 12 percent has been cut almost in half. That's still not good enough, but that is progress by any standard and we're going to keep making that kind of progress in the months ahead with the right kind of policies that we are pursuing right now.

We have recovered 2,100,000 jobs since last March. That is 96 percent of all the jobs that we lost during the recession. Unemployment is still too high, but we are headed in the right direction. The Commerce Department announced just yesterday that personal income has risen by 9.2 percent in the past year, well above the current inflation rate. That means real earnings, real purchasing power is climbing; that's good news for every American. We're on the attack, and we will stay on the attack and win this important victory over inflation and unemployment and every other economic enemy of the American people.

In foreign affairs, we have pursued a policy of peace through strength. That policy has been successful, so successful that tonight we can say that America is at peace with every nation on Earth, and we will keep it that way in the future.

We will keep it that way by keeping our defenses strong. As long as I am President, America's defenses will be strong and ready without equal in the

world in which we live. Our strength makes it possible for us to negotiate with other great powers of the world from a position that commands their respect and invites their cooperation.

We are now negotiating with the Soviet Union for a further reduction in the level of strategic nuclear arms, a reduction in the potential terror and destruction that each nation can inflict upon each other. We have entered these negotiations with our eyes open, our guard up, and our powder dry. Yankee traders have always known the score, and we continue in that great tradition in 1976. With our military strength we can strengthen peace and not return to the cold war.

One way to reduce the dangers to peace in the world is to have a reliable, responsible, and effective intelligence-gathering capability. I have taken steps, as I am sure you know, to reorganize and reform America's intelligence community, to make it an instrument of peace and an object of pride for the American people. One thing is certain: We cannot improve our intelligence capability by destroying it, as some would like to do. I have no intention of seeing the intelligence community dismantled, and I know you don't want it dismantled either. Its operations should not be paralyzed or its effectiveness undermined. The irresponsible release of classified information by people who should know better must cease.

The abuses of the past must be corrected and never, never repeated. I have made concrete recommendations to ensure that the intelligence community keeps out of politics and out of people's private lives. As President, I intend to see that the Federal Government is under the people's control and not the other way around.

This next sentence pretty much sums up my philosophy: We must never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

But the American people know that it is not enough to talk about the evils of big government. They know that it just is not realistic nor is it wise to turn back the clock and undo all the progress we have made with the help of responsible and constructive government programs.

It is easy to say we ought to cut $90 billion or so from the Federal budget. It is easy to say we ought to toss a lot of very worthwhile programs into the laps of the individual States and let them administer those programs if the local taxpayers will assume the extra burden. It is easy to say that people who don't like the way the programs are administered in one State can just vote with their feet and move to another State. I have always believed that

Americans, Democrat or Republican, vote with their heads and not with their feet.

Oh, it is easy to say that the Social Security Trust Fund upon which some 32 million Americans—older and disabled in our society—that that trust fund should be invested in the stock market, making the Federal Government a major stockholder in most American businesses, but that's the best blueprint for back door socialism that I ever heard.

I want to improve the social security system, not cripple it. I want to make sure that program is strong, sound, and certain, not only for the present generation of beneficiaries but for every generation of working men and women, and that is what I intend to do.

I want to improve the Medicare system. I want better and more comprehensive medical coverage for our older citizens. There is absolutely no reason why older Americans or their loved ones should have to go broke just to get well or stay well in the United States of America.

Yes, the list could go on and on. We have to be realistic about what the Government can do and what it can't do, but we must also recognize that there are certain things that Government must do and do better if we are to continue the progress we have made in the past.

We have a great, great country, and I am proud to be an American, and I am proud of America as you are. We have our problems, and we are not afraid to admit them. But I think it is high time people stopped running America down. We should brag about America.

I think it is time we remembered that we are the most richly blessed nation in the history of the world. We have special gifts, special resources, and special responsibilities greater than any nation on Earth.

From the vantage point of the Presidency I can see the greatness of America as I never really saw it before. I can see its many problems, its frustrations, its strengths, its weaknesses, its ambitions. I can see its people working, playing, hoping, planning, praying, living their lives the best they can, and they are good lives which most of mankind envy very greatly.

Obviously all of our problems have not been solved and all of our challenges have not been met. As Lincoln said, "The question is not can any of us imagine better but can we all do better." Of course we can, and that is why I am asking for your continued support next Tuesday, next November, and over the next 4 years.

Thank you, and I will be glad to answer your questions.

QUESTIONS

CATEGORICAL GRANT PROGRAMS

Q. Mr. President, Tom Baird, president, Keene Jaycees. It seems as though there is a lot of duplication of effort and expense in the Nation's Capital today with various agencies and governmental departments competing to serve the same needs. Do you as President have any plans to avoid that duplication of effort and to provide better local control over programs to assist consumers, which will also decrease the cost of programs to the taxpayers?

THE PRESIDENT. Yes, I do, and let me tell you what we have done and then tell you what we plan to do.

Two years ago, we consolidated seven categorical grant programs that gave aid to cities and metropolitan areas around the country. The new legislation provided for one single block grant instead of seven categorical grant programs. It meant that the city of Keene, for example, instead of having to make up about 20 applications, could make a single application and get the same or more money. But the best impact, at least from our point of view, was that when they had the seven categorical grant programs, there were 2,300 Federal employees in Washington, D.C., and now that we have a block grant program instead of categorical grant programs, we have less than 200 people in Washington handling the same amount of money. That's what we have done.

Now that that has proven to be a very sound program, we are recommending or I have proposed to the Congress that we take 27 educational categorical grant programs—27 of them—combine them into one, give to the school districts the same amount of money and let them decide how they on the local level—here in Keene or in Manchester or in Los Angeles or in Seattle—let them decide how that money can be best spent under local decisionmaking by Charlie Burns and others who know something about the educational problems right here in Keene. I think that makes a lot more sense and it will in effect deliver the Federal dollars more effectively to the local level.

And we propose the same thing in 15 health areas—15 categorical areas involving health, in 15 social service programs. The whole effort is to reduce the Federal bureaucracy and to make the money available at the local level so that the services are delivered under local control and jurisdiction, and I think we are going to get the Congress to go along with some of those programs. We certainly think it is in the best interest of the recipients as well as the Federal Government.

ELLIOT RICHARDSON

Q. Mr. President, Cathy Allen. As you may know, there is a move in this State to write in the name of Elliot Richardson as Vice President on next Tuesday's ballot. Would you have confidence in Mr. Richardson as a Vice President?

THE PRESIDENT. Well, I nominated Elliot Richardson as the American Ambassador to Great Britain. I called him back to be the Secretary of Commerce in my Cabinet. He attended his first Cabinet meeting this morning. I have mentioned him as one of the potential possibilities as a Vice-Presidential running mate. Obviously, the answer is yes.

COMMUNIST MEMBERSHIP IN NATO

Q. Mr. President, my name is Fran Silvestry. Recent events in Italy suggest that the Communist Party may soon be admitted into the Italian Government. If this happens, would you instruct our intelligence agencies to attempt to alter this, and how secure would you feel with the Communist government as a member of NATO?

THE PRESIDENT. Well, I have taken a very strong position, first at a NATO meeting that I attended in Brussels last May, that the members of NATO should not have Communist Party members as a part of their government, period. We told that to the Italians, we told it to every other European country. I don't think you can have a Communist government or Communist officials in a government and have that nation a viable partner in NATO.

So, I have taken a very strong position against the inclusion of any Communist membership in a government in Western Europe or in any NATO country. I hope that the good people of those countries, Italy or elsewhere, will make certain that they have one of the free political parties in their countries to head their governments. I think it will be a stronger and better NATO, and we would vigorously oppose any Communist participation.

PREPARATION FOR PUBLIC OFFICE

Q. Mr. President, Peter Clark. What courses do you have to take at college to become President? [*Laughter*]

THE PRESIDENT. I would not limit my recommendations to what you might take in college, because I think your whole educational process from kindergarten through college or to graduate school is equally important, but I would make two recommendations: I would study government; I would study history—the history of the United States.

But I have one more suggestion. You can't go wrong joining the Boy Scouts and learning the Scout oath and the Scout laws, because those are good guidelines for anybody in public office.

BETTY FORD

Q. Mr. President, Polly Croteau. May I address my question to Mrs. Ford?

THE PRESIDENT. She does a good share of the good talking in the family so—[*laughter*]——

MRS. FORD. I'm not used to this but I'll be happy to.

Q. Well, I understand from my reading that you are a very frank person, and so, frankly, Mrs. Ford, outside of attracting celebrities to the White House or making one dress designer more important than another, of what use is the power of the position of the First Lady? Is there any area where you feel you really influence events? Have you ever advanced any projects all your own?

MRS. FORD. I would be happy to answer that, and long before there was the attraction of celebrities to the White House or any attraction of a designer for clothes, I was already in the work for the retarded children and the underprivileged children, actively working in Washington.

I have actually been a member of the PTA since, I think, our first year, both the President and I, 1958 until just last year, when our daughter graduated from high school and is now in college. I worked as a room mother, I worked with the PTA, it gave me great association with the parents and their children in school which I thought was a great advantage. And I feel that working as a Sunday school teacher and putting in the hours that I have as a mother, I am qualified.

Thank you.

CONGRESSIONAL AND FEDERAL PAY RAISE

Q. Mr. President, my name is Jim Hartman. Ronald Reagan has deplored the lack of moral leadership evident in the secretive manner by which the congressional pay raise scheme was passed. Governor Reagan, quoting Cicero, called it the "arrogance of officialdom." I was surprised, Mr. President, that last Thursday in a meeting with New Hampshire newsmen you discounted the connivance and secrecy with which the pay raise was maneuvered.

Mr. President, do you categorically deny the reports here in my hand, published in the Los Angeles Times, Christian Science Monitor, and Congressional Quarterly, that the congressional pay raise rider was the result of 6 months of secret meetings between congressional leaders and members of your administration?

THE PRESIDENT. The members of the two committees in the House and in the Senate, in consideration of a number of employee or personnel matters, did consult with some of the members of my staff. And that is a very responsible thing for those members, both Democratic and Republican, in the House and the Senate to do, and they should have done it. And the members of my staff ought to provide information to those individuals from the House and the Senate that want information. But there was no conniving, and any charge to that effect is inaccurate and completely without fact or foundation.

But now let me tell you the good thing about what happened after that. Under the existing law all Federal employees get a cost-of-living increase predicated on the increase in the cost of living. But because of the financial problems that the Federal Government has, I recommended a 5-percent pay increase instead of the 8.6-percent pay increase, and the Congress sustained it. And I think it was the result of the coupling of pay increases for judges, for executives, and for Congressmen and Senators with all other Government employees. So, we saved $1,200 million, and that's not bad.

EMPLOYMENT

Q. Mr. President, I am Bob Page, I am a student at Monadnock Regional High School. Mr. Stanley Arnold, a Democratic opponent, says that he can reduce unemployment from 8.3 percent to 3.3 percent just about overnight. How would this drastic change affect our economy and why?

THE PRESIDENT. Well, any allegation to that effect cannot be proven. A lot of politicians have tried it in a number of countries. It has never worked, and the net result every time it has been tried is that those countries go broke. And if anybody were to try and do that by priming the pump with a lot of make-work jobs at a cost of some $25,000 a job, this country would go broke.

Therefore, the better way to do it, in my opinion, is to increase the incentive for the private sector of our economy where five out of six jobs exist today so that our private sector will expand and provide jobs. The proposal that you indicate won't work, it never has worked in the history of any country, and the proposals that I have suggested are working, so I strongly support them.

Q. Mr. President, I wish I could shake your hand, because I think you are one of the greatest Presidents that has come along in recent history.

THE PRESIDENT. Thank you very, very much, sir.

Yes, ma'am.

Q. I was waiting for him to shake your hand.

[*The President shook hands with the previous questioner.*]

RUNAWAY FATHERS

Q. Mr. President, I'm Katherine B. Donahue from Keene, New Hampshire, and because I am getting over a cold, Mr. Caldwell will read my question for me. Thank you.

Q. Since the Parent Locator Service law is now in operation, titled Office of Child Support Enforcement, through Federal funding as of January 28–29, 1976, and is affiliated with the social security service, why is it necessary to spend welfare funds over a period of months on one case to locate a delinquent missing father of a dependent child or children to receive court designated payments who are not on welfare when the social security number is available and could be traced in a shorter period of time? Would this not be saving a lot of tax dollars?

THE PRESIDENT. The legislation to which you refer was passed about a year, year and a half ago. What it seeks to do is to give new tools to Federal officials and to local officials to locate runaway pappies so that they can be brought back to take care of their financial responsibilities to their children and to their former wife—but primarily to their children. That legislation was long overdue. The first bill that I introduced in the House of Representatives in 1949 was called the runaway pappy bill, because fathers go from New Hampshire to Michigan or Ohio or Florida, get a job, they don't take care of the court-ordered financial responsibilities for their children. That legislation finally materialized into what was passed a year and a half ago, and I can assure you we are going to make it work because it would relieve the welfare burden and it would force so-called runaway pappies to pay for their financial responsibilities to their children. We are going to make that law work, I can assure you.

Q. I don't want to take question time away from someone else, but I just have one more question.

THE PRESIDENT. Sure.

Q. This has happened over a period of 10 years. I have raised 8 children for 16 years. Now, when I went to Social Security, they denied there was any such office in Washington. I found the address through, really, pressure, and because I am not a welfare parent, I had to send $20 to start the case. The Social Security here in Keene knows where my husband is, knows where he is employed. When the welfare worker called me after they received my check, she told me it would be 4 months before I would hear anything.

Now, I think that is a disgrace, because that girl in that welfare department

could be working on something else for 4 months if they know right now where he is.

THE PRESIDENT. There are two problems. The first one is that kind of service should not be condoned and it won't be, and if you will give me your name and address, we will see what we can do effectively to help you.

The second point is, I think employees in the welfare office are actually State employees, not Federal employees. I am not trying to pass the buck, but I think that is true in every State that I am personally familiar with. But I can assure you, if we get the information from you, we will see what can be done at the Federal level. There is no excuse whatsoever for a court order not being enforced and getting the information to you so that you can find your runaway pappy and make him pay up.

Q. Thank you.

FORMER PRESIDENT RICHARD NIXON

Q. Mr. President, my name is Kenneth Jenkins, and during your press conference on Tuesday night, when asked about the influence or impact of Mr. Nixon's visit to China, you stated that he had not been briefed and the visit was to be treated in the same fashion as any other private Americans would.

Now, why wasn't it 18 months or 19 months ago—whatever it was—you didn't treat him as any other American and have him face criminal charges in the same way as any other American would instead of pardoning him? Now, at the time I more or less agreed with you, but now don't you, in retrospect, don't you feel in some way that you were maybe a bit premature in your decision?

THE PRESIDENT. Not at all.

Q. Could you explain why?

THE PRESIDENT. In the first place, as far as penalty is concerned, the former President obviously resigned in disgrace. That is a pretty severe penalty—1 out of 37 Presidents to have that happen to him.

Number two, as long as that situation festered, there would be continuous problems developing from the Special Prosecutor and so forth. The only way to get rid of the problem was to do as I did so we could concentrate on the problems of the economy and strengthening our efforts to achieve and to maintain peace. I think it was the right thing to do. I defend it. And the treatment that he is getting in going to China is just like that of any other private citizen.

Q. Mr. President, I came down from the north country to ask you an economic question. These campaigns are very good up in the north country for

all the candidates because they take up storefronts and they eat in the restaurants and everything. But Stanley Arnold will be back on Park Avenue this time next year and Shriver will probably be running his mart and I guess Carter will be working for Maddox—[*laughter*]—and Loeb will only have the Dartmouth students to pick on and then he won't be selling many newspapers.

And what I would like to ask you, on behalf of the fellows in the ski business, will you come up and go skiing with us next year, Mr. President?

THE PRESIDENT. You don't have to worry. The answer is yes.

Q. Thank you, sir.

THE PRESIDENT. But let me point out that I started skiing in New Hampshire back in 1938 and 1939 and did for 3 years. So I have skied in North Conway and all throughout New England a long, long time ago when we didn't have the kind of bindings and the boots and the poles and all the other stuff that we have today. And I wasn't very good then. I'm a little better now. [*Laughter*] But I left an awful lot of sitz marks all over New England. [*Laughter*]

CONGRESSIONAL PAY RAISE

Q. Mr. President, in view of your response to a previous question regarding Ronald Reagan's support for repeal of the congressional pay raise scheme, the secret plotting described by the Los Angeles Times was reconfirmed February 14 with Donald Smith of the Congressional Quarterly.

Mr. President, my question concerns only elected officials—Senators and Representatives, not appointees. Do you think it is wise public policy to guarantee Congressmen protection from inflation, counter to the view of Governor Reagan?

THE PRESIDENT. I think that a Member of the House and Senate ought to have fair treatment, and I think it is demagoguery to isolate them from all other people who work for the Federal Government. I think they ought to be fairly treated, and I think it is pure political demagoguery to allege otherwise.

PEOPLE'S REPUBLIC OF CHINA

Q. Mr. President, my name is Elia Schwartz, I'm from Franklin Pierce College. Do you feel the Chinese Government, by extending an invitation to former President Nixon to visit China, in any way reflects the deterioration of existing relations between the office of the President and the nation of China?

THE PRESIDENT. Not at all. I have visited China twice, once in 1972 for 12 days where I had the opportunity to travel extensively in the People's Republic of China; I returned this year, or last year, in December and had an opportunity

to talk personally with Chairman Mao. I can assure you—because I was there—that the relations between the People's Republic of China and the United States are good, and they are going to continue to be good. And there is no reason whatsoever for anyone to doubt that.

It is important for us to have a relationship, one that recognizes their system is different than ours, but it recognizes also that there are 800 million-plus people in China with a vast land area and we ought to keep that relationship. We are keeping it, and Chairman Mao and the other people that I talked with are as anxious as we are to maintain that relationship. It is good. It is good for them and it is good for us, and we intend to keep it that way.

FOOD AND OIL MONOPOLIES

Q. Mr. President, my name is Peter Doyle, I'm from Keene. The Democrats, particularly Senator Harris, have proposed to break up the food and energy monopolies, citing the fact that they are illegal, that they promote inflation, and that they have killed competition and the idea of free enterprise in our government. Have you ordered the Attorney General to enforce the law of the land in the antitrust laws on the books?

THE PRESIDENT. Against what industry?

Q. The food and oil monopolies.

THE PRESIDENT. The Department of Justice, the Antitrust Division, has been strengthened in numbers and personnel since I became President, and in the budget that I submitted for the next fiscal year we added additional personnel. And we have a first-class Attorney General who is a former antitrust lawyer, served in the Department of Justice and worked on the Hill, and is a very qualified man. I can assure you that he and his department will carry out the law as far as antitrust activities are concerned.

And I should add this: Better than a year ago, I recommended to the Congress some strengthening of our antitrusts laws, including added penalties for criminal violation of those antitrust statutes. So, our record is good, as far as the Department of Justice is concerned, as far as new legislation is concerned, and I can assure you, if there is, if there is any monopoly in the food business or in the oil business, Attorney General Ed Levi will go after them.

Q. Would you say that the food and oil monopolies are adding to the inflation in the U.S.?

THE PRESIDENT. Well, the main cause of inflation in the oil business is the fact that we now buy 40 percent of our oil from foreign sources, and it is a cartel in the Middle East. That is the reason why we are having added costs

in fuel oil and gasoline and so forth. Forty percent of our current oil supply comes from overseas. We don't control those prices. Those prices are controlled by the cartel, not by us. What we have to do is give an incentive to increase our own domestic oil production, and we will be free of the stranglehold that the foreign oil cartel has over us.

Now, if you take food, the farmer gets a lot of blame. I don't think he deserves it. The real problem is from the time it leaves the farm until it is bought by the consumer. The middleman, from the time it leaves the farm until it is sold to the consumer, that is where the problem is. And if there is a monopoly, whether it is in labor or management, the Department of Justice will go after them.

Q. Mr. President, because of the time I think we have time for one more question, if you would.

THE PRESIDENT. Three more, four more—I like this.

NEW HAMPSHIRE

Q. Mr. President, my name is Phil Martin. You said 2 weeks ago that you were going to let the voters vote on your record. Why have you come back to New Hampshire?

THE PRESIDENT. Pardon, sir?

Q. Why have you come back to New Hampshire?

THE PRESIDENT. Well, I think it is very wholesome for me to have an opportunity to see, what—3,000 people here in Keene. I think I can benefit from the questions that are being asked, and I hope that my answers are helpful to those that want to get some information. I am back here because I think it is important to win in New Hampshire, I think we are going to win, and it will get us on the road to victory to win in August in Kansas City and to win November 2 in the general election. I like people from New Hampshire, and that's why I am here.

BUSINESS OWNERSHIP

Q. Mr. President, my name is Steven Payne. Before I state my question, sir, I would just like to state briefly my premises. To me, freedom is intimately connected with work. The two are inseparable.

THE PRESIDENT. Work?

Q. With work, yes, sir. For a man to be free he must be able to determine the kind of things he produces, the way he produces them, the way he advertises them, the people to whom he sells them. Now my question is this: Has your administration under consideration any legislation that would grant representa-

tion on the boards of directors of large corporations to the people who work for these large corporations and to the citizens who live immediately around these corporations, so that the people who are most intimately affected by the decisions of these corporations have input into the decisionmaking process of the corporations? It seems to me that until the people get true freedom—that to have freedom come from on high is a negation of what true freedom really is.

THE PRESIDENT. Well, under our system you have to give representation to the people who have invested their money into the building of the plant and the purchasing of the equipment——

Q. If I can interrupt for a second, sir.

THE PRESIDENT. ——and the operation of the facility. Now, there are instances where employees have bought the business. Obviously, in that case the people who are employed ought to run the place, not only in the management but in the plant itself.

In a number of cases where you have stock ownership programs, where an employee or the employees buy stock and, therefore, are a part-owner, there is representation by those employees or somebody representing them on the board of directors, and that is very proper. Whether or not you should go beyond that would create some considerable change in our whole system.

Now, it has been tried in Germany or West Germany, with some success. Whether it ought to be tried here or not, I think, it is premature to make any comment.

DEFENSE BUDGET

Q. Mr. President, I would like to know if the United States was ever in a world war situation, would you authorize the first strike, and if the answer to this is no, then how do you justify such a high defense budget?

THE PRESIDENT. The United States has no plans for any first strike, but now let me answer the second question. The United States Government has been putting less and less of our resources into our national security for the last 10 years, and the net result has been that the percentage of the Federal funds that go to defense this year is 24 percent and social programs derive about 50 to 55 percent of the total Federal expenditures.

We have reached a point of diminishing return for several reasons. One, the Soviet Union, during the same period of time, has increased their expenditures out of their total government expenditures, their total GNP, and if we don't correct the situation—which I am trying to do and tried to do last year—the national security of this country will be in some jeopardy.

Last year I recommended a defense budget of about $100 billion, which was about 25 percent of the total expenditures by our Government for our national security. The Congress cut $7,200 million out of it. It was a mistake. This year I have recommended expenditures of $100.1 billion, which is for the second time in 10 years that a President has recommended a change in that curve.

If the Congress is wise enough to support my defense budget, we will spend roughly 25 percent of our total expenditures for our national security. I think that's right. You can't have the freedom in America unless you have the necessary military capability to deter war or to defend America.

PRESIDENT'S DUTIES

Q. Mr. President, I am Pamela Barrett of Walpole, New Hampshire. I would like to ask you this question: What do you do as a President, and may I shake your hand?

THE PRESIDENT. Did I understand the question—what do I do as President? [*Laughter*]

Well, I spend about 14 hours a day at the job, but it is a complicated job, dealing with some 2,100,000 civilian workers, 2,100,000 military personnel, and making sure that our country is strong economically and internationally or in foreign policy. I have to deal with the Congress, and believe me, that is a problem. [*Laughter*] All except for Jim Cleveland over here.

Now, if you would like, just stroll up here and I would be glad to shake hands with you.

[*The President shook hands with the questioner.*]

Let's do two more, and then we will call it quits. I enjoy it. It's great.

FORMER PRESIDENT RICHARD NIXON

Q. Mr. President, could you reiterate the justification of originally saying you would not pardon President Nixon and then going ahead and pardoning him?

THE PRESIDENT. I didn't hear what you said.

Q. Would you please repeat why you first said you would not pardon President Nixon?

THE PRESIDENT. I never said I wouldn't. I said that I did, and I thought it was right at the time and for good reasons, period.

REPUBLIC OF CHINA

Q. Mr. President, my name is Bob Croteau and I'm from Troy. I would like to know, you said you like good relations with the People's Republic of China. What about the Republic of China on Formosa?

THE PRESIDENT. We have excellent relations with the Chinese Nationalist Government. I have been there. I know their top people. It has been a good ally. We have a defense treaty with them. They are good friends, and we are going to stick by them.

Q. When are you going to visit them again?

THE PRESIDENT. Well, I am pretty busy right now. [*Laughter*]

Q. I wish you good luck, Mr. President.

REFLECTIONS ON THE PRESIDENCY

THE PRESIDENT. One more and then we'll quit.

Q. Mr. President, I would like to know if you like the job as President or if you would rather have another job, and why?

THE PRESIDENT. Well, I really enjoy the job. I enjoy the challenge. I get up every morning—I can't wait to get to the office. [*Laughter*] That's true, that's true. I thoroughly enjoy it. And I like to go home and have dinner with Betty, but I like to stay and get the job done every day. It's a great challenge because we have problems, but they are solvable, and I enjoy the opportunity to work with people in trying to solve those problems. And I like the job, and that is why I am a candidate, and that is why I would appreciate your support next Tuesday and on November 2.

Thank you very much.

[*At this point, the President left the main gymnasium and entered the girls' gymnasium where the overflow crowd had assembled. After being introduced by Mrs. Ford, the President continued answering questions.*]

MRS. FORD. I appreciate how much it means to us that you have all been here and stayed here, and it gives me great pleasure to present the President of the United States. [*Laughter*]

THE PRESIDENT. Those are kinder words than she usually gives me. [*Laughter*]

Let me thank you all for coming, staying, and it is a great privilege and pleasure for both Betty and myself to come and see you all firsthand. And if I don't violate the rules of the house, can I take a couple of questions here? I'd be delighted to.

FEDERAL BUDGET

Q. Mr. President, what plans do you have for the next 4 years to balance the Federal budget?

THE PRESIDENT. Well, in the budget that I submitted to the Congress in January, if the Congress holds the restraint on Federal spending that I have

recommended, we can have a balanced budget in 3 years. The Federal budget has been growing at the rate of 11 percent per year for the last 10 years. In the budget that I submitted it cuts that in half—it cuts the growth in the Federal budget, expenditure-wise, by 50 percent.

And if we can, instead of going up like that, can cut it in half, we can have a balanced budget in 3 years, and that will include another tax cut. So, it is the kind of a budget that is, I think, responsible. It puts the main emphasis on the private sector, and it gets some of these uncontrollable programs in the Federal Government under control.

ENERGY CONSERVATION

Q. Mr. President, why didn't you take stronger leadership on the question of conservation, really lay it on the people, if you will? We have to start saving more of this energy—we are running out.

THE PRESIDENT. Let me say that I think it is unfortunate that America has not done as well as most other major industrial countries throughout the world. I was looking at some statistics just yesterday. Virtually every Western European country since the oil embargo of 1973 has done better than we have in conservation. Now, the American people will always respond to a crisis, but, unfortunately, once the oil embargo was lifted the American people mainly went back to many of their old habits.

Now, I do have to say this: Prior to the oil embargo, the rate of growth in energy use in this country was about 6 to 7 percent per year. At the present time, that has been cut to a rate of growth of about 1 percent, so we are doing better but, compared to many other countries, we are not doing as well as we should.

Now, in order to conserve energy I have recommended to the Congress a number of proposals: One, to increase the efficiency of our automotive industry in the cars that they produce; another, to provide a tax incentive for people to insulate their homes, a proposal of $80 million to get individuals who were in the disadvantaged groups to have insulation provided by their Government so that we could save energy in that way. We are trying to get more utilization out of our railroad system rather than relying on the automobile and the airplane. We are doing some things, but I happen to agree with you that we ought to do better.

Q. Mr. President, it is nice to see you here this evening. My question is, a few weeks ago the Boston Globe stated that Margaret Chase Smith of Maine

said she was surprised that you were still in the running as a candidate, and she was wondering why you hadn't quit as yet and——

THE PRESIDENT. Well, I was a little surprised myself—[*laughter*]—because I have always had very cordial and good relations with former Senator Smith. I admired her then, and I admire her now.

The reason I am running is because I think I am the only person with a moderate, middle-of-the-road political philosophy that can win as a Republican or as a Democrat, and I think it is vitally important for the future of America having somebody who is not on one side or the other.

I think it is important for a person who has a middle-of-the-road philosophy to win to give us the kind of strength at home and the kind of strength abroad that is needed, not only for our generation but for a lot of these kids I see here tonight.

FOREIGN AID

Q. Mr. President, how do you feel about foreign aid?

THE PRESIDENT. How do I feel about foreign aid? Well, let me give you an example of how foreign aid was very helpful, and then I can give you some examples where it hasn't worked.

But I see some people in this audience who came back from World War II when Western Europe was devastated. And if it had not been rehabilitated, most of the Western European countries today would be under communism. But the United States contributed a substantial amount of money to the rebuilding of Western Europe, and the net result is we have freedom in those countries—France, West Germany, Belgium, Holland, and so forth. That was a good investment by America in a foreign aid program.

Now, we have helped some other countries where the programs have been good. I think the Chinese Nationalist Government on Taiwan, we helped them. We are no longer helping them because they are on their own.

Now, we have made some bad investments, too. So I think you have to realize that in programs that involve distant lands, different kinds of people, different kinds of societies, you will be successful one day and you may not be as successful the next.

I think the United States should have a responsible foreign aid program for two reasons: One, humanitarian. We ought to help people less well off than ourselves. Americans are generous, humane, and we ought to help them. Secondly, I think we ought to in order to help ourselves in the implementation and execution of our foreign policy.

Q. Mr. President, I want to say two things before I ask a question. Number one, bring your wife with you on all your campaigns. She is a real asset to you.

THE PRESIDENT. I agree. So are my kids, though, and I'm proud of them.

CLOSING OF MILITARY FACILITIES

Q. I have a good many questions. I think when people are well informed they do right, and you have done it straight with me, and I think you have done a good job.

I have got a little question I would like to ask. We are thinking of phasing out Fort Devens. We have phased out almost all of our forts here in New England, and I think that you should consider thinking it over before you phase it out.

THE PRESIDENT. Let me respond to that. The Department of Defense is always in the process of trying to analyze where they can get the best results from the utilization of facilities. Three years ago we had 3,500,000 men in the armed services; today we have 2,100,000, so we don't need as big a base. I'm not saying that Fort Devens is going to be closed or it won't be closed. All I'm saying is that the Department of Defense is analyzing the situation because first the Congress cut them $7 billion in the defense bill for this current fiscal year, and that is about 8 percent. I added money for next year but, nevertheless, I can assure you that Fort Devens or any other facilities will get a fair shake, but the Defense Department will make the analysis.

Thank you very much.

All right. Two more. This young lady back here.

ANGOLA

Q. Mr. President, I would like to know what you feel should be our projected military involvement in Angola.

THE PRESIDENT. I don't think our military involvement should be in Angola at all. I never proposed that one American soldier ever go to Angola. But I did say and I tried to convince the Congress that we ought to help in a very small way the two organizations that were fighting the MPLA [Popular Movement for the Liberation of Angola]. And those two organizations, UNITA [National Union for the Total Independence of Angola] and FNLA [National Front for the Liberation of Angola], had more Angolans in their organizations than the MPLA did, and they were winning until 12,000 Cubans and $200 million worth of Soviet arms went into the MPLA.

I am convinced that we should help people who want to help themselves, and

we were anxious to help two out of three to give them arms for them to solve the problem themselves. The Congress wouldn't go for it and the net result is the Soviet Union and 12,000 Cuban Communist mercenaries are in effect running that country. I don't think that's good.

Q. How long do you want to be President? [*Laughter*]

THE PRESIDENT. Well, I would like to be President until January 20, 1981.

ENERGY RESEARCH AND DEVELOPMENT; NUCLEAR POWERPLANTS

Q. I need to ask you what your stand is on nuclear powerplants—the awareness of the internal large agencies supporting and regulating these plants. They're dangerous, they create, if nothing else, a lot of anxiety—some good in different ways. And it seems to be that there's some very economical and free ways to——

THE PRESIDENT. Well, let me answer the latter part first. I know of no prospective energy source that our Government isn't supporting. I have increased the research and development in solar energy by about 40 percent, from about $80 million to $120 million in the next fiscal year. We have increased the money for geothermal research and development. We have put around $160 million into coal research so that we could make it cleaner and that we could make it a more productive fuel.

If you know a source of energy that we are not supporting, I would like to hear about it and we will look into it. But every scientist that can come up with a responsible source of energy for us to seek to develop, we have got money in it.

Now, talking about nuclear energy, there is an agency or a commission called the Nuclear Regulatory Agency [Commission]. It has the responsibility of taking the applications for nuclear plants, analyzing the design and the construction, the site, and determining whether that plant should be built in that area. We now have roughly 50 nuclear plants in this country.

I saw some statistics the other day—and these are undisputed—that the chance of any nuclear accident to an individual is 1 in 2 billion, something like that, and the chances are far, far less according to the statistics than being struck by lightning. Now, that doesn't mean we cannot improve the safety, and I added to the budget for the next fiscal year a substantial amount of money to make nuclear reactors safer and to make them more reliable. I think we need nuclear energy under the right conditions, and they will only be approved by the Nuclear Regulatory Agency [Commission] if they are.

This lady has the last question.

STATE AND LOCAL DECISIONMAKING

Q. Thank you, Mr. President.

I am very much concerned about the rules and regulations that override our State laws. The people who make the rules and regulations are not answerable to our people because they are not elected officials. Is there some way that you could set up a legislative subcommittee to oversee the rules and regulations or get their approval before they are finally made?

THE PRESIDENT. Well, I am sure you are familiar with the fact that under our system of government of checks and balances the President can't tell the Congress to establish a committee or a subcommittee. They are a separate and coordinate branch of our government. In fact, they would probably do just the opposite if I recommended it. If you recommended it, they might proceed with it. No, I am being very serious. I don't think that the Federal Government—and I can only speak for the Federal Government—should override responsible local or State decisions. And frankly, that is one of the reasons why I have tried so hard to get the Congress to move from categorical grant programs, where some bureaucrat in Washington makes the decision and overrides the decisionmaking process of a local official or a State official. And under the program where I recommend taking Federal money and giving it to the local officials and State officials, then you don't have some bureaucrat in Washington making the decision; you have the process handled right here in Keene or Manchester or Portsmouth or Conway or any one of the other places.

Thank you all. It's a great pleasure to see you. Good luck to you.

NOTE: The President spoke at 7:42 p.m. at Keene High School. The forum was sponsored by the Keene Jaycees.

In his opening remarks, the President referred to James A. Masiello, vice chairman of the New Hampshire President Ford Committee, John M. Croteau, Jr., chairman of the board of the Keene Jaycees, Rev. Chandler H. McCarty, pastor, St. James Episcopal Church of Keene, Robert M. Clark, master of ceremonies, and Charles Burns, principal of Keene High School.

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Remarks at Harper's Acres Retirement Home in Keene. *February 19, 1976*

THANK YOU very, very much. First, may I express, on behalf of Betty and myself, our appreciation for the opportunity to come back to Harper's Acres and to meet all of you and have an opportunity of saying hello and to enjoy your friendship and hospitality.

As I was walking around and meeting all of you, I couldn't help but think to myself what a great contribution each and every one of you have made to make this country what it is today. And all of you and many, many millions like you all over the country have done the same.

You lived through some very difficult times during your lifetime. You lived through the depression, you lived through World War II, you lived through the changes that have come technologically during your lifetime, from the horse and buggy to a trip to the Moon. You have lived through the great progress that has been made in the area of controlling some of the diseases that 20 years ago we thought were incurable.

Science has done wonderful things for America and does wonderful things for people all over the world. As I travel and see many people like you, all young people should be forever grateful that during your lifetimes you have met the challenges, whether it was problems in peacetime or struggles during wartime. I, for one, am grateful, and I think all young people, when they read the pages of history, will reflect—will likewise be grateful that you contributed so much and made this a better place for them to live. I know they respect you. I know that they feel strongly about you personally and what each and every one of you have done for their country.

As a result of what you have done, all of us owe you a great debt of gratitude which means that whether it is through social security or railroad retirement or government retirement or any one of the other many private programs, we have to make sure and make positive all of you can enjoy the opportunity of being here with each other without worrying about the finances, without worrying about the cost of medical care.

We are going to keep the Social Security Trust Fund strong so that Americans in your age group don't have to worry at your age about the tremendous problems of catastrophic illness, and every one of us in this room has known a family or known people who have had that misfortune. America owes it to you to make sure that you don't have the anxiety or the cost.

And let me make one final pledge to all of you. You have done much for America and as a result I am proud to be, you are proud to be an American, and you are proud of America.

Our obligation is to repay the debt to you and to make sure that America is good, is strong, and a better place to live for your children, your grandchildren and your great grandchildren. That is our pledge to you.

Thank you very much.

NOTE: The President spoke at 9:25 p.m.

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Remarks and a Question-and-Answer Session at a Chamber of Commerce Breakfast in Dover, New Hampshire. *February 20, 1976*

THANK YOU very, very much, Ray, and thank all of you for coming here this morning and participating in this very informal and I hope informative get-together in Dover. It is a great pleasure to be in your community. It is a great pleasure to be in New Hampshire. I have been here a good many times over the years, and it is a special pleasure to be here on this occasion.

I have a prepared text which I will not use. I will summarize it because I think it is much more important that I get an opportunity to respond to your questions. So, what I will do is summarize what we have released to my good friends in the press, and then I look forward to the opportunity to answering your questions.

Let me make three points, if I might. I got up this morning—and I am an avid reader of newspapers—and I happened to be looking through one of the Boston papers, and I couldn't help but notice the headline on this story, "Greenspan-Burns Optimistic About The Pace Of Recovery." Well, they are both people that I highly respect, and their views have turned out to be right. But then, as I read the news story in the second paragraph, I found some astounding support which I think is more indicative than even what Alan Greenspan and Arthur Burns [1] have said.

And let me quote from the news story, which is a quote from this very distinguished Member of the Congress. It goes on: "And they were joined by U.S. Senator Hubert Humphrey, Democrat of Minnesota, who said at a Joint Economic Committee hearing, 'I am a little more bullish on the economy than most people I listen to.' " Well, if he is more bullish than Greenspan and Burns, we are really on the way to economic progress.

Well, the facts are we have gone through a tough 12 months, because about a year ago we were still at an inflation rate which was far too high. It had been 12 to 14 percent; it was starting down. About 12 months ago, we were really on the brink and falling rapidly into the worst recession this country had had since the end of World War II. All of the economic signs were gloomy and dismal.

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[1] Chairman of the Council of Economic Advisers and Chairman of the Board of Governors of the Federal Reserve System, respectively.

But in the interim, because of steady, realistic, commonsense policies, this economy has turned around, and it has turned around not only because of the good policies I think we have but it has turned around because the American people kept their cool, didn't panic. And what do we see at the present time?

Well, 2 weeks ago we got some excellent news that the unemployment had dropped and that employment had gone up 800,000 in a 1-month span and gone up 2,100,000 over a period of about 8 months. Last week we got some additional good news in the battle against inflation—we actually had no increase in the Wholesale Price Index and if you go back for the last 4 months, actually, there is a net decrease in the Wholesale Price Index which is, of course, the forerunner as to what we can anticipate in the Consumer Price Index.

Now, I have not seen the figures that are coming out this morning, but from everything we have seen, we are going to get some good news this morning, in addition, on the Consumer Price Index, which means that instead of 12 to 14 percent inflation 12 to 18 months ago, we are at 6 percent or less and it is going down.

What we have done is to really get a handle on the most insidious of all adverse economic factors. But there are some other things that I think generate the kind of optimism that has now converted Hubert Humphrey to our point of view. [*Laughter*]

We now have people working longer hours with more productivity. The real wages have gone up. All of these things convince me that our free enterprise system is good. It is the best way to solve our problems—not with some quick-fix, make-work Government program. And the net result is America is on the right road, and we are going to continue that way.

Two other points. I know because of the close proximity of Portsmouth Naval Base that all of you, not only for that reason but because you are interested in national defense—I would like to say a word or two about national security and the Navy, particularly.

Last year, in January, I submitted the second highest defense budget in the history of the United States. Unfortunately, the Congress cut it by $7 billion. I think that was a serious mistake.

This last January, just a month ago, I submitted the largest defense budget in the history of the United States. The question is legitimately asked: Why? The reason is very simple. If we are going to be strong enough to deter aggression and maintain the peace and if we are going to be strong enough to protect our national interests, the United States must be second to none in military capability.

Some questions have been raised about the capability of the United States

Navy. I served 4 years in the United States Navy. I served on the Appropriations Committee in the House of Representatives that handled all the money for the Army, Navy, Air Force, and Marines for 12 years. So, I know something about the Navy as well as the defense programs, policies, personnel, and otherwise.

During World War II we built our Navy, in size, tremendously. For a period of some 20 years following World War II, we didn't build many capital ships. We rehabilitated them, and the net result was we developed what they call "bloc obsolescence." And about 2 years ago we started a new Navy shipbuilding program.

In the budget that I submitted for the next fiscal year, we put in the most money for the building of Navy capital ships in the history of the United States Navy, and the net result is we are on our way to overcome the problem of bloc obsolescence and to make our Navy as it has been, as it will be, and as it must be—the best Navy in the whole world.

But I think we have to be realistic. In the last 5 years the Soviet Union has increased their navy tremendously. As a matter of fact, they have some 900 ships. Their tonnage isn't as great as ours; their numbers are greater.

We are in the process of a study conducted by the Secretary of Defense to see whether we should further accelerate our Navy shipbuilding program. And let me assure you that if that study comes back—and it is supposed to be completed within the next 6 months—we will submit the necessary funding to the Congress to accelerate that shipbuilding program.

We cannot and will not let any other nation dominate the world seas. The United States must, and it will.

Now let me talk very quickly about one other matter. You may have read about or seen something to the effect that I have submitted comprehensive programs for the reorganization of our intelligence community. In the process of that reorganization I had two fundamental objectives:

Number one, to strengthen the Central Intelligence Agency and the remainder of the intelligence community. Under no circumstances will my administration, in any way whatsoever, hurt—and the last thing I would do would be to dismantle—the Central Intelligence Agency. It is a good, fine, excellently operated, totally necessary part of our Federal Government. And we are going to have, as we have had, the best intelligence community that any country could possibly have.

Secondly, there were some abuses. Let's be honest and frank. They were minor in total although serious where they were actually committed. Under

the new organization with the new restrictions that I have applied, there will be no abuses. The Central Intelligence Agency will be precluded from undertaking any of those things that, unfortunately, got some individuals and the organization in some trouble.

I don't want to go into the details of how it is to be structured, but I can assure you we are going to end up with an intelligence capability that will be our best security in peacetime and the best security in case of any difficulties around the world and, at the same time, the private rights of American citizens will be totally protected. It is a good plan, and I think the Congress will approve of it.

With those observations, Ray, I will be very glad to respond to any questions.

QUESTIONS

CYPRUS NEGOTIATIONS

Q. Mr. President, as a member of the general audience I would like to welcome you to the city of Dover although I don't think that you have Hubert Humphrey converted over to your way of thinking yet. [*Laughter*]

THE PRESIDENT. Well, it is nice to hear what he says.

Q. It is.

As far as the question goes, you might perhaps not know that the city of Dover and the seacoast community has got a large Greek-American population. The recent Cyprus situation as well as the Aegean situation with Turkey and Greece has left some questions on our minds on how your administration is handling the situation.

I am sure you know that you as well as Dr. Kissinger are not the most popular guys in Athens right now. But how are you proposing to improve that particular situation, especially our relationship with the Athens regime at this time?

THE PRESIDENT. Let me say that both myself and Dr. Kissinger have been working since August of 1973 to try and get the Turkish Government and the Greek Government to sit down and negotiate with the Turkish and Greek Cypriots—Mr. Denktash and Mr. Clerides.[2] And those two gentlemen met February 17 to discuss and to try and resolve some of the difficulties and to solve the problem.

I think we have to go back historically a bit. I don't condone what was done

[2] Rauf Denktash, Turkish Cypriot leader, and Glafkos Clerides, President of the Cypriot House of Representatives.

either by the former Greek Government when they tried to assassinate Makarios and to move in—I don't think that was right. I don't think the Turkish Government was right to move in with 40,000 troops to do what they have done.

What we have to do is convince the Greek and Turkish Cypriots, with the support of the Turkish as well as the Greek Government, to resolve the problems of territory, the refugees, which is, of course, the most important problem, and the kind of government that will actually control Cyprus.

Now what have I done? I have talked personally with the Prime Minister of Turkey on two occasions, Prime Minister Demirel, and told him it was mandatory that there be a settlement, mandatory for a wide variety of reasons—the welfare of the people on the island of Cyprus, the strengthening of NATO, and the maintenance of the Turkish-U.S. relations.

I have talked twice with Prime Minister Caramanlis urging that he cooperate to the maximum. I think we are making some headway, and the present talks that are going on are somewhat encouraging. But I am sure you recognize the tension that has lived in that area not for the last 3 years but for literally centuries.

And we are using our maximum diplomatic capability to not only solve the Cyprus problem but the concurrent problems of the Aegean Sea. And it is one of my deepest concerns because of the reasons that I have indicated. I can assure you that we are going to continue to put pressure on all parties to get a settlement.

SOLAR ENERGY

Q. Mr. President, Don Bryant of the Dover Lions Club. I think you know that in New Hampshire energy costs are among the highest in the Nation. Do you feel that the Federal Government is doing enough to develop solar energy and other substitute sources of energy for oil?

THE PRESIDENT. I can tell you that in the budget that I submitted to the Congress for the next fiscal year, I increased the research and development funding for solar energy from roughly $80 million to about $120 million. It is, what—30, 35 percent increase. I put into the budget virtually every penny that any one of the agencies asked for solar energy research and development.

It is a very greatly expanding program, and it is covered in the Energy Research and Development Agency [Administration] and HUD. And in all of the agencies that have any research and development capability, if they wanted solar energy research money they got virtually every penny that they asked for—even in a tight budget year.

It is one of our great potentials. It is not something that is going to come overnight in a vast way, but it has a long-range potentiality where we must do the research and development, and we are doing it right now.

I think I am always an optimist; I think we will get a breakthrough quicker than some of the pessimists feel.

NUCLEAR POWERPLANTS

Q. Mr. President, my name is Henry Mayrand, I'm with the Dover Lions Club. My question to you is: How can we stop the environmental freaks from halting construction of a nuclear powerplant in Seabrook, New Hampshire?

THE PRESIDENT. I think that all of you recognize that once an application for the construction of a nuclear powerplant is in the hands of a regulatory agency—whether I want the issue before that agency to be as protracted or contentious as it is—that it would be inappropriate for the President to interject himself in and tell the five members of the Nuclear Regulatory Agency [Commission] that they should do something one way or another.

I think it would be unethical, and furthermore, I think it probably would be illegal. I can only say that I am a strong advocate of nuclear power. I happen to believe that the safety record and the reliability record of the 50 nuclear plants that we have around the country has been good.

In January of 1975, in my State of the Union Message, I said we had to construct 200 more nuclear powerplants in the next 10 years. I have faith in their reliability and their safety. And to make sure of that, I added money rather significantly in the budget for the next fiscal year to make certain that the Energy Research and Development Agency [Administration] would proceed to make certain of safety and reliability.

So, number one, I am optimistic that we can build them on a nationwide basis. Number two, I think it is absolutely essential that they be built and made operative. But for me to pass judgment in the position I have and tell an agency or an independent agency that they should do this or do that just isn't the right thing to do.

Now, I would like to add, it is my observation that the pendulum has swung so that we have many responsible environmentalists who are not taking the positions they did 3 or 4 years ago, and I think that is encouraging because they know that we now have limitations and restrictions that are responsible. And they also know that we must free this country from being held up by the Arab oil cartel, and nuclear energy is one way we can free ourselves.

HOUSING

Q. Mr. President, I would like to ask you what are you going to do to boost the housing program?

THE PRESIDENT. Let me say, first, that in the budget that I submitted in January, on the basis of the persuasion of the Secretary of HUD, Carla Hills, I added approximately 400,000 more housing units that rely primarily on the Federal Government to get going. She made a very good case. I agreed, even though money is tight in the Federal budget. But it is a homebuilding program where the Federal Government can really move in and help. So, that is one point.

Number two, if we are going to really get a massive, nationwide housing program underway, we have to make money available to borrowers at reasonable interest rates. We cannot have the Federal Government, therefore, have such a huge deficit and have to borrow so much money that they crowd out the home buyers in the money markets of this country.

So what we are trying to do is hold down Federal expenditures, reduce the deficit, and make more money available in the money markets of this country.

And the net result is we have had the greatest inflow in deposits in savings and loans in the last 9 months I think, in the history of the country, which means there is money now available in the private market. And it has been quite encouraging that there is a slight turndown—very slight, but the trend is right—in conventional mortgage money rates.

I think with the money available and the optimism concerning the economy, you are going to see the homebuilding industry do a great deal better in calendar year 1976 than they did in 1975. I would hope that we would build or start approximately 1,600,000 homes which would be about 300,000 more homes this year than last year, and maybe even better.

And if you saw the statistics that came out last week, we had a tremendous upsurge in permits being granted which, I think, is indicative. So, between responsible Federal funding and the management of our expenditures and the kind of programs that I indicated earlier, I think the homebuilding industry is going to be actively moving upward.

IMPACT AID

Q. Mr. President, Bernard F. Ryder, superintendent of schools, city of Dover. Kittery is in Maine, the Portsmouth Navy Yard is in Maine. I think it is unconstitutional that impact aid will only go to that State. We, in New Hampshire, have many workers there.

Point two, titles I, II, III, IV, et cetera, are direct and specific aid. I believe revenue sharing for the schools should replace these titles and help the taxpayers of Dover and other cities and States and towns educate their children.

Last, but not least, I am very pleased that you are going to speak to the students at Dover High, and I must compliment Mr. Easter [3] for the outstanding job in his efforts in preparing the program.

Thank you.

THE PRESIDENT. Thank you very much.

Let me make a couple of comments. The problem of impact aid is not only controversial but good people can be on both sides. As you know, there are actually four—what is it—category A, B, C, and D. Impact aid was initiated at the time of World War II and Korea where the Federal Government went in, took over a piece of property, put an installation on it, took it away from the tax base, put people in there with children, and put the children as a burden on the local community.

Under category A, wherever a person has children who lives and works on a U.S. Government facility, we fully fund impact aid.

Category B is one where an individual owns a home, we'll say in town A, but works on an installation. He doesn't live on the installation; he only works there. He pays his real estate taxes in the town. That is a different kind of a situation.

And then, of course, you have the other two that are even less deserving.

We have gone along with full funding of category A, as we should. We have had less enthusiasm about category B and virtually no enthusiasm for C and D, and I think rightly so.

One of the paradoxes of the program is this—and let me illustrate: Members of Congress who live in Virginia or Maryland—who are paid, I think, well—when their children go to a public school in Maryland or Virginia their children are counted for impact aid. Our four children were, I think that is unconscionable. We should be able to support the schools in Virginia or Maryland.

The taxpayers of Michigan and New Hampshire shouldn't support the education of a Congressman's child in Washington, D.C., or Maryland or Virginia. That kind of a program is so mixed up that we have got to sit down and sort it out, take care of A and maybe some of B, but doggone it we really can't let the program run wild the way it is going at the present time.

Q. I agree that it is running wild, but I disagree that $100,000 should be taken

[3] Fred E. Easter, president, Merchant's National Bank of Dover.

from the city of Dover. If you will examine the circumstances, sir, you will discover that Maryland is a wealthy area, Dover is not.

THE PRESIDENT. Well, we will take a look at it. And let me add this, if I might. Under my block grant programs for primary and secondary education and vocational rehabilitation, aid to the handicapped, we would put more money into what I think the circumstances you are describing into Dover and you and Dover would have a lot more control on how you spend that money than you do at the present time.

Q. If block grant means revenue sharing, yes, sir, and thank you.

THE PRESIDENT. Well, you and I are right on in that one. [*Laughter*]

AUTOMOTIVE INDUSTRY

Q. Mr. President, I am Earl B. Canfield. I'm a member of the Dover Rotary Club as well as being a Ford dealer in the city and county of Dover. I would like to commend the Government on what they have done in lessening the environmental controls on the automobile which, I think, has been a big help—or a big boost in our industry—but I would like to see the controls dropped a little bit more because the way we look at 1978 we are going to be in trouble. And I think that in this great country of ours—I was talking to my daughter the other night and we were commenting on the salary that President Ford earned and the salary that the president of General Motors earned and I said, well, this is true, but what could we do without General Motors or Ford or Chrysler in these United States? Our economy would be in trouble.

So, I think if they can lessen some of these controls, it would be a big boost to our industry.

THE PRESIDENT. Let me, not because I am a Ford from Michigan, but—[*laughter*]—and the better known Fords won't recognize that we are in any way whatsoever related to them—but I think the automotive industry has done a fine job in responding to what the public sentiment is. And the net result is the automotive industry, and I hope it is true here in Dover, has really come back tremendously. In the last 2 months, they have had excellent months. I think their production is 50 percent or more over a year ago. They are on the uphill just like most other segments of our economy.

Now the real problem is that the pressure is on to too quickly get to too high a standard. And the Congress is now in the process of trying to extend that deadline, I think by 2 years. And I am told by the people from the automotive industry that if they get another 2 years, they can increase their efficiency by about 40 percent, which means less gasoline per mile, and at the same time

improve the exhaust situation which, I think, we all recognize had gotten to be pretty unbearable.

But let me add something to that. You know, the Congress put this tough deadline in and the industry went to catalytic converters and that solved one problem. But it is now recognized by most analysts that in solving that problem they have created another with sulphur dioxide which, in the minds of many people, is more dangerous than what the other problem was.

So, I think we are trying to get some balance now between what was the case and what we have to do, and I trust we won't get into the paradoxical situation of solving one problem and raising the more serious one.

FOREIGN POLICY

Q. Mr. President, in the wake of Vietnam and Watergate, it seems that our Congress has done very much to limit the powers of the office of the Presidency. I think this has cost us a tremendous price in international influence and prestige. Could you comment on this and tell us what you can do as President to help us regain some of our international prestige?

THE PRESIDENT. The Constitution, of course, puts the responsibility, as Commander in Chief and Chief Executive for foreign policy, in the hands of the President. Our forefathers knew you couldn't have 535 Commanders in Chief and Secretaries of State. It just wouldn't work, and it won't work. That doesn't mean that the Congress and the President shouldn't consult and work together. We have in many cases. But in the last year, there has been a tendency on the part of the Congress to limit and hamstring effective action by the President to move quickly when we should have been able to move and prevent the kind of, I think, disasters that have taken place in Angola. And I am very frank about saying today, because we were hamstrung, the Soviet Union and 12,000 Communist-oriented Cuban mercenaries control Angola.

That is not good for the United States. With a very small investment of dollars supporting two out of the three elements in Angola, with no U.S. troops involved, we could have met the challenge and Angolans could have solved their own problem in Angola.

But that is an illustration of how the Congress, I think, made a serious mistake and refused to join me in meeting the challenge of a Communist government in Asia and a Communist government right here in our own hemisphere. That kind of limitation is unwise.

I hope if we face other confrontations—I hope we don't have those confrontations—I hope the Congress will recognize that a President, whoever that

President is, has to have some flexibility and capability of moving rapidly to help us in maintaining the peace and maintaining the free world throughout the world.

SCHOOL DESEGREGATION; PRAYER IN PUBLIC SCHOOLS

Q. Mr. President, I would like you to share with us some of your thoughts on the educational system in our country; namely, do you feel that after 2 years of busing, the city of Boston now has a better system than 2 years ago? And what are your thoughts on reintroducing prayer into the educational system of this country?

THE PRESIDENT. Let me answer the last question first. I had the wonderful experience of being the Republican minority leader in the House of Representatives at the same time that my very dear friend, who has now passed away, Senator Everett Dirksen, had as the minority leader in the United States Senate. We were close personal friends. He and I both agreed that the decision of the United States Supreme Court in precluding nondenominational prayer in public schools was wrong. I think that it ought to be possible to have that kind of time set aside for a nondenominational reflection and prayer. I think it ought to be permitted. I strongly feel that way.

On the question of busing, the Supreme Court has tried to do two things: It has tried to provide quality education; it has tried to end segregation. Those are worthy objectives, I agree with that. I think the emphasis should be on quality education. The emphasis should be on ending segregation, but I think the Supreme Court, and our courts, particularly—some courts have used the wrong remedies, and I vigorously oppose them.

It is my feeling that there has been a developing attitude on the part of some of the courts, however, to take a more moderate view in exercising their constitutional authority to handle the problem. And let me illustrate it very quickly. Three years ago we had a Federal judge in Detroit who was going to mass bus children from our county to another—not just from suburbs to the city. He is no longer the judge handling that case. We now have a Federal judge who is handling it, and he has understood the problem. And the net result of his order, which seeks to achieve quality education and desegregation, is accepted by the people of Detroit because it is responsible, it is moderate.

So, the courts have the authority. It is just that some judges don't seem to understand that it is counterproductive to go as far as they have gone. And therefore, I support what has been done in some cases, and I vigorously oppose what has been done in others.

Q. Might I add, sir, do you feel, then, that in the case of the city of Boston that Judge Garrity has overgone his limits?

THE PRESIDENT. Well, let me say that I don't think it is appropriate for me to pick a certain judge, whether he is right or wrong, and comment on his particular decision. I have an obligation. I took an oath of office to uphold the law of the land. And at least at this point, what he has decided is the law of the land. Whether I agree with his decision or not, it is immaterial. I have an obligation to uphold the law of the land.

I have tried to explain my own personal philosophy and illustrate that in some parts of the country other judges have used their constitutional remedy to be very effective in achieving both quality education on the one hand and desegregation on the other.

WARREN RUDMAN

Q. Mr. President, recently you nominated former Attorney General Warren Rudman to serve down in Washington. In New Hampshire, among the Republican Party, there has been some split over this appointment as to why you chose Attorney General Rudman as opposed to other prominent Republicans who could have possibly served in this post. Would you care to comment?

THE PRESIDENT. I would be very happy to do so. There was a Republican vacancy on the Interstate Commerce Commission. We looked around and found in Warren Rudman an outstanding attorney general in New Hampshire, a person who had been the president or chairman of all of the States' attorney generals throughout the United States.

We understood that he was anxious to have a new challenge. Everything we heard about him was on the plus side. There was a vacancy. I think it is a very natural marrying of a fine man with a very responsible job. And we are delighted that he has agreed to come and fill that vacancy, and I think he will make a first-class member.

Q. Thank you.

THE PRESIDENT. Thank you all very much. It has been a great privilege and pleasure to be here, and I appreciate your warm welcome.

NOTE: The President spoke at 9:35 a.m. in Elks Hall. In his opening remarks, he referred to Raymond F. Hennessey, president of the Dover Chamber of Commerce.

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Remarks at Dover High School in Dover. *February 20, 1976*

Thank you very, very much, Elizabeth, Mr. Huddleston, students, faculty, and supporters of the two greatest basketball teams in New England, and, finally, friends and fans of Dennis McDevitt:

Let me, on behalf of Mrs. Ford and myself, express our deepest appreciation and warmest gratitude for the wonderful enthusiasm and the great turnout here this morning. It's just great being in the Dover High School to have the opportunity to say a few words to all of you.

I have heard a great deal about this wonderful facility you have here, the great times, as Mr. Huddleston told me. From a school which was built in 1851, you have made a lot of progress. But the most important thing is not the brick and mortar. The most important thing is the quality of your faculty and the quality of each and every one of your students. I happen to have a great deal of faith in the educational system of our country, and that represents you and your faculty. Congratulations.

Last night in Keene, New Hampshire, after I had an opportunity to meet with some 2,500 people at a meeting at the Keene High School, I went to—Mrs. Ford and I went to a home with maybe 100 or more of our older Americans. And I said to them—and I feel it very strongly—that they have been through a tough time. These were people anywhere from 65 to over 80 that lived through a depression, two wars, but, at the same time, they have kept the faith with our country and our government, and they have passed on to younger generations a better America.

Now, I think all of us—that's you and me—should appreciate what these fine people have done because we do have a better America, a better place to live. But now all of you are moving into a period in your life where you can make a contribution, where you can be an active participant in local, State, and national elections. That is the best way that I know for you to do something affirmative for yourself, but more importantly, for your country.

What you learn here in this fine high school will pay big dividends as you meet the challenges to make it a better America—a better America in government, a better America technologically, a better America economically, a stronger America morally and philosophically.

I was asked on several occasions over the last several months, what are the important ingredients—one, for people in public office, and what is the most

important thing for the public as they look at the political problems that they face?

I think one of the most important, if not the most important ingredient for a person in public office is candor, frankness, and complete and total honesty. I don't believe that anybody in public office should promise more than they can produce. I think we have got to be frank and promise what we can do.

But the most important thing for all of you to have—and I don't know how many are Democrats or how many are Republicans, that's immaterial—you are all Americans and all of you should have an open mind as you look at candidates, as you look at political parties, as you look at political philosophy.

You are well educated. You have an opportunity to make major decisions and you should look at the candidates and the political parties and the political philosophies with an open mind. And once you adopt that attitude you can contribute very, very significantly to a better America.

I thank you all for the wonderful chance to be here. Mrs. Ford and myself are just delighted to be in New Hampshire, and New Hampshire is an important State. And some time next year we are going to bring the family up here and enjoy your wonderful skiing again.

May I introduce my wonderful wife, Betty, to all of you.

Thank you again. I appreciate it, Elizabeth Gardner and Mr. Huddleston. We're just overwhelmed. We think you are great people. Thank you for being so nice to us.

NOTE: The President spoke at 10:35 a.m. in the school cafeteria. In his opening remarks, he referred to Elizabeth Gardner, president of the student council, John S. Huddleston, principal, and Dennis McDevitt, member of the varsity basketball team.

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Remarks During a Visit to the President Ford Committee Headquarters in Dover. *February 20, 1976*

LET ME take just a minute first to thank all of you on behalf of Betty and myself and to express our appreciation as deeply as we can for what you are doing for us, and I know that we will not disappoint you. We will work at the job, and we will do a first-class job for you and for the country, which is really what it is all about.

One of the young ladies in here asked me what we could do to maybe convince some of those who have been undecided. We have had, as I think all of you

recognize, a very difficult time economically for the last 12 to 18 months. When I became President inflation was over 12 percent. Unemployment was starting to go up; employment was starting to go down. We really faced a very serious crisis in America. We didn't panic. The American people responded very well. We have had the right policies.

I can't help but refer to something I read in one of the Boston newspapers this morning which, I think, indicates we are on the way to a real economic recovery—not a quick fix, not a phony, but a good, solid economic recovery, and that is what we want. We want permanent jobs for people with an opportunity to make their way up the ladder of success and this is the way to do it—the way we are doing it.

But two outstanding people in Government made some reports yesterday—Alan Greenspan and Dr. Arthur Burns—and the headline says: "Greenspan and Burns Optimistic About The Pace of Recovery." I would expect them to be responsive because, after all, I think they are nonpartisan, nonpolitical, and they are both what you would call economists who have got a real objective look at things. So, they look at the figures and know we are going in the right direction.

But I couldn't help but read part of the second paragraph. Let me read it to you—we have really got a convert—and here is what it says: "They were joined by U.S. Senator Hubert Humphrey, Democrat of Minnesota, who said at a Joint Economic Committee hearing," and I quote, " 'I am a little more bullish on the economy than most people I listen to.' " And he must have been listening to Greenspan and Burns. So, if they are optimistic, boy, Hubert is really optimistic.

But the facts are we should have optimism for this situation. Unemployment is going down; employment is going up—not exactly the way we want it right today but the trends are right. Jobs are going to be available. Unemployment is going to be reduced.

And then we got some excellent news this morning. Inflation bothers everybody. If you have got a job it bothers you. If you are unemployed it bothers you—probably more so if you are unemployed. But we got an announcement on the Consumer Price Index this morning. It showed it was at .4 percent, which means that on the basis of that, if you annualize it all year long it is less than 5 percent per year. Bear in mind that 18 months ago it was 12 percent or more so we can say we are on the right path and we are getting results and this is what the American people want.

As long as you work at the job and you are doing the right thing and you

produce, that is what the American people want and that is what we are doing, and that is why we are going to win with all your wonderful help.

Thank you very, very much.

NOTE: The President spoke at 11:25 a.m.

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Remarks in Portsmouth, New Hampshire. *February 20, 1976*

THANK YOU all very, very much for the opportunity to come to this wonderful shopping center and say hello to so many, shake hands with so many. I can simply say on behalf of Betty and myself that we have had a tremendously wonderful time here in New Hampshire, not only on the trip that I was here before but on this occasion. And I would now like to introduce to you the better half of our family, my wife Betty.

MRS. FORD. Thank you very much. I am delighted to be here again, too, and I am so thrilled to see all of you here in this beautiful shopping center, and it is a real pleasure to be back here in New Hampshire. And I hope that we will all be hearing from you on Tuesday the 24th.

THE PRESIDENT. Let me take just a minute or two, if I could, to tell you what has happened in the last 18 months. Eighteen months ago we were faced as a nation with a very difficult period of time. We were faced with very high inflation of 12 percent or more; we were on the brink of a very serious economic recession; we had some problems worldwide. Our allies and adversaries were not sure what the United States was going to do, how we were going to handle our affairs.

But I think in the last 18 months the American people have had a restoration in better faith in their government and I think the credit is primarily due to 215 million Americans. And their faith has made the job that I try to do for them a great deal easier. And I thank all of you in New Hampshire, and particularly those here, for that faith which has made it so much easier for me to try and do a better job for all of us.

Now let me take a minute to tell you where we are. Things are a lot better in America, but they are not as good as they are going to be. Unemployment is going down; employment is going up. Real wages are increasing. The rate of inflation has been cut in half. And we got some excellent news this morning which shows that the cost-of-living rate of increase has declined and we are making real headway against some very tough and difficult circumstances.

As we look at home I think the bitterness that existed some 2 years ago or more has actually been dissipated and all Americans, whether they are Democrat or Republican or Independent, are pulling together basically to make this the kind of a country that we all want.

As I walked in and shook hands with many, many people I saw some older people and some younger people. We owe a great deal to the older people in this country. They took this Nation through the most difficult times economically in the thirties and they met the challenge of World War II as well as World War I. And our country is better off because of their sacrifices and their capability to do a first-class job.

And then I saw some younger people who are the beneficiaries and they have a great responsibility in America—the responsibility to carry on and do for their children what their parents and grandparents did for them.

But I have a lot of faith in young people. They are better educated I think, they have more opportunities to see the country and to see the world, and the net result is America's young people are going to carry the torch for freedom as well if not better than any previous generations.

But now we have got some big decisions to make, not only in New Hampshire but elsewhere throughout the country. Then, of course, the big final decision on November 2. I am here and Betty is with me because we want your help on next Tuesday. We can do a better job for you if you can help us. And we pledge to you the same honest, frank, candid efforts that we made in the past, which I think is the way our country ought to operate—frankness and candor and forthrightness between a President and the American people and between them and him.

I thank you for your consideration. I thank you very much for your prayers, and I hope and trust that we can continue to do a job for you which I think is in the best interests of this country.

Thank you very, very much.

NOTE: The President spoke at 2:58 p.m. at the Newington Plaza Shopping Center.

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Letter to Congressional Committee Chairmen on the Food Stamp Program. *February 20, 1976*

[Dated February 19, 1976. Released February 20, 1976]

Dear Senator Talmadge: (Dear Congressman Foley:)

I am deeply concerned by the failure of Congress to enact seriously needed changes in the Food Stamp program.

Last October I sent to Congress legislation to reform the Food Stamp program.[1] My proposals were designed both to concentrate benefits on those truly in need and to correct the abuses and inequities of the current program. Under my plan, 24% of the participants would receive increased benefits. This represents nearly 5 million of our neediest citizens with incomes below the poverty level. At the same time, overall program costs would be reduced by $1.2 billion because most abuses would be eliminated and those with incomes well above the poverty level would no longer be eligible.

As you know, the Food Stamp appropriation passed by Congress in December clearly anticipated implementation of substantial reform. Indeed, that appropriation bill contained the assumption that reform would take place promptly and therefore the amounts provided to pay program benefits were reduced accordingly. Without action it is clear that the funds appropriated will not be adequate to meet the costs of the program. But no action has yet been taken by Congress to implement real reform. Each day that goes by without enactment of the reforms which I have proposed costs the taxpayers more than $3.25 million.

My budget anticipated legislative reform action by February 1, 1976. We have passed that date and time is running out.

While statutory changes by the Congress would be the most desirable course of action, we can no longer afford to wait. Since the Congress has not acted, there are only two courses open to me: to ask for more funds to continue the program as it is, or to direct the Secretary of Agriculture to proceed administratively to reform the program through changes in regulations.

The first course is unacceptable to me because I believe the taxpayers have waited far too long for reform of this program. Therefore, since the Congress has not enacted Food Stamp reform, I have directed the Secretary of Agricul-

[1] See 1975 volume, Items 89 and 634.

ture to issue regulations which will set in motion the reforms needed to eliminate abuses, control costs, and concentrate benefits on those truly in need.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Herman E. Talmadge, Chairman of the Senate Agriculture and Forestry Committee, and the Honorable Thomas S. Foley, Chairman of the House Agriculture Committee.

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Statement on Proposed Legislation To Reconstitute the Federal Election Commission. *February 20, 1976*

ON FEBRUARY 16, I submitted legislation to the Congress which would reconstitute the Federal Election Commission along the lines mandated by the Supreme Court. At that time, the Congress had 2 weeks in which to take affirmative action on this legislation or the Commission would lose most of its powers under the Federal Election Campaign Act. Now, there are only 9 days left for the Congress to act.

I believe that the measure I proposed is the right way to proceed. There is simply no time to consider with sufficient care amendments to the law which are not essential to compliance with the Supreme Court decision. Nor is this the time to introduce other changes and new uncertainties into the law just as the primaries are beginning. I would have very serious reservations about any change in the existing rules under which citizens may be allowed to participate in the 1976 elections, and I urge that the Congress take only the simple and necessary step of reconstituting the Federal Election Commission in an appropriate constitutional manner.

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Remarks at a Meeting With the Intelligence Oversight Board. *February 21, 1976*

Mr. Chairman, Mr. Ailes, and Mr. Cherne:

I thank you, first of all, for taking on this responsibility which, I think, is extremely significant in the reorganization of the intelligence community. As all three of you know, we told the intelligence community what they have to do on the one hand and what they can't do on the other hand.

We have sought to achieve accountability so that individuals in the various intelligence agencies will know precisely what their responsibilities are and to whom they are accountable. But the main new addition, which, I think, is fundamentally necessary, is the Oversight Board.

And you, Mr. Chairman and Steve and Leo, are to act as an independent auditor on what takes place within the intelligence community. You are not to be influenced by the White House on the one hand, and you are not to be influenced by the intelligence community on the other. And your responsibility is an independent area of responsibility.

I just want to thank the three of you. I know you bring together a good many years of Government service, but also of dedication to what is in the best interest of the country. So I am delighted that you have accepted, and I am confident that the role played by this board will be reassuring to the American people.

NOTE: The President spoke at 12:53 p.m. in the Oval Office at the White House. In his remarks, he referred to Robert Murphy, Chairman, and Steve Ailes and Leo Cherne, members, Intelligence Oversight Board.

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Remarks at the Combined Convention of the National Religious Broadcasters and the National Association of Evangelicals. *February 22, 1976*

Thank you very, very much, Dr. Zimmerman, Dr. Van Der Puy, Dr. Toms, members and guests of the National Religious Broadcasters and the National Association of the Evangelicals:

It is a very special honor for me to address for the third time in as many years this great convention of National Religious Broadcasters. I welcome, of course, the participation of the National Association of Evangelicals, and I salute both of you for your outstanding organizations as you follow the great commissions of Jesus, to go into the world and to preach the gospel.

My good friend, Billy Zeoli, makes the point that we may know the number of churches, radio and television stations involved in religious broadcasting and mission work. Only God, however, can count the number of lives that have been changed by the gospel you preach throughout the world.

I like the theme that you have selected for your Bicentennial convention, "Let Freedom Ring." Nowhere on Earth has freedom rung so loud and so long as

in the United States of America. Americans have heard it ring for 200 years, and I hope and pray it will ring forever in this great land of ours.

The commandments and the laws of God were of very special importance to our Founding Fathers and to the Nation that they created. I believe it is no accident of history, no coincidence, that this Nation, which declared its dependence on God even while declaring its independence from foreign domination, has become the greatest nation in the history of the world. We are taught in the Psalms, that blessed is the nation whose God is the Lord. I believe that very, very deeply, and I know you believe it, too.

Looking back over 200 years, we can see that America has always been a uniquely blessed nation, that we have had a very special role to play in the affairs of mankind. In our Nation's youth, we became living proof of the fact that men could govern themselves successfully, that the divine right of kings was a false doctrine for Americans and that, in truth, all men are created equal in the sight of their Creator.

We proved that hard work and self-sacrifice and a freely extended helping hand could build a nation and a people to greatness in the space of just few generations, a timetable unheard of before the American experience began.

We have demonstrated time and time again, that the cause of freedom in the world has no better friend, no stronger ally than the United States of America. We have demonstrated that we are among the most compassionate, most generous people on Earth. We have demonstrated that the world-famous American ingenuity is still very much at work, still able to keep us on the frontiers of progress, in every field.

Our leadership in all of these endeavors has enriched mankind everywhere. While seeking out the path of peace with other nations, we have declared our enemies to be disease and ignorance and poverty and injustice—and war itself. I remember President Eisenhower observing that America is not good because it is great; America is great because it is good.

The early history of our country was written by men who valued the freedom of religion and who had in common a deep faith in God. We read of George Washington on his knees in prayer at Valley Forge, seeking divine guidance for himself, his men, and his fledgling Nation in the terrible winter of 1777.

We read of Benjamin Franklin calling the Second Continental Congress to prayer when that body of strong-willed, independent men was in disarray and in discord.

We read of John Adams proclaiming of love of God and His creation, stating that the Ten Commandants and the Sermon on the Mount were the sum of his

religion and praying that heaven would bestow the best of blessings on the White House and all of its future inhabitants.

This faith of our Fathers sustained the young America when it was weak and very poor. That same faith can sustain us today in the added responsibilities of the world's most prosperous and powerful nation.

When I became President, this country was faced with some of its most pressing and serious problems in its history. Underlying these problems was a crisis of confidence in our Government, a crisis of spirit among our own people. America had been buffeted about for more than a decade with shocks to its system that would have crippled a lesser country—political assassination, a long and frustrating war, riots in our streets and on our campuses, economic distress, scandals at the highest levels.

In the few hours before this responsibility was suddenly thrust upon me, I was asked by one of my aides what verse I wanted the Bible open to when I took the oath of office. I turned to the Bible which had been given me when I became Vice President by my oldest son, Mike, who was a divinity student in Massachusetts—and I understand Dr. Ockenga [1] is speaking tomorrow night to you. Ever since I was a little boy, I have used a very special verse in the Bible as a kind of prayer. I am sure you are all familiar with it. It comes from the Book of Proverbs, and it says, "Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths."

That was the verse that I placed my hand upon when I took the oath of office administered to every President since George Washington. These words have meant much, very much to me as I have dealt with the problems of this Nation and the world.

We hear so much about the corruption of government and business and labor. We sense so much distrust in our basic institutions of society. Too many people are complaining we don't know who or what we can believe. My answer is we can believe in God. We can believe in the faith of our Fathers. We are the heirs of our Fathers' faith, and it can be a source of strength and comfort and understanding for us, as it was for them.

It remains our duty to remember our religious heritage, to teach it to our children, and to order our own lives with courage, with justice and kindness and in the love of God.

Each generation has its difficulties and its challenges to meet. And surely, we

[1] Dr. Harold John Ockenga, president, Gordon-Conwell Seminary.

have no less need of an abiding faith than did the Pilgrims, who established a new life in the American wilderness. We have no less need of faith than the American colonists when they flung their challenge of independence in the face of the world's most powerful empire. We have no less need of faith than the pioneers, who conquered a vast and dangerous continent.

The faith of our Fathers is living still in America today. It will live as long as freedom rings in this sweet land of liberty. Tonight, let us say in the stirring words of "America," "Long may our land be bright, with freedom's holy light, protect us by Thy might, great God our King."

Thank you very much.

NOTE: The President spoke at 8:32 p.m. in the Regency Ballroom at the Shoreham Americana Hotel. In his opening remarks, he referred to Dr. Thomas F. Zimmerman, first vice president, Dr. Abe N. Van Der Puy, president, National Religious Broadcasters, Dr. Paul E. Toms, president, National Association of Evangelicals, and Rev. Billy Zeoli, president, Gospel Films, Inc.

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Remarks at the Winter Meeting of the National Governors' Conference. *February 23, 1976*

Thank you very, very much, Governor Bob Ray, Governors, guests, ladies and gentlemen:

Let me say it is a great privilege and a very high honor to be here among all of you distinguished Governors and esteemed fellow candidates. [*Laughter*] Betty and I are, of course, looking forward to having you for dinner tonight. I think we will have a pleasant and, I trust, a very enjoyable evening.

I am delighted to greet all of you on this very historic Bicentennial winter meeting of the National Governors' Conference. This is a very memorable year in which to give new balance and meaning to relations between the Federal and State governments. And I eagerly anticipate working with you to achieve better government at all levels for all of our people.

It has been said by some that Federal-State relations are the most deadly boring of all political issues. I do not agree. As a matter of fact, I feel a sense of excitement and eager anticipation at the progress we are making to restore to you and to your States more say in decisions affecting the daily lives of all of our citizens.

This process does not bore me. It really turns me on, especially the prospect of working more closely with all 50 States to restore, during this national Bicentennial, the necessary balance among us that was first conceived by our Founding Fathers 200 years ago. George Washington warned against the danger of the

monolithic, centralized power of the Federal Government. In recent years, State and local authority has eroded as the Federal establishment has grown and grown.

This trend of categorical grants and decisionmaking by the bureaus and the agencies of the Federal Government has not made life easier for the beneficiary, nor has it made government more responsive. The Federal Government now employs more people than the entire combined population of the 13 original States when our founders reserved to State governments and to the people all power not bestowed upon the National Government.

When your State constitutions were adopted, great care was taken to preserve the basic principles of self-government. Americans have always wanted the decisions affecting their daily lives made at home in their local communities and in their own States.

But freedom is now misinterpreted by too many individuals to mean freedom from personal responsibility and instant gratification of all desires by the rich Uncle Sam in Washington, D.C. In pursuit of that quest—and I might say that fantasy—the Federal bureaucracy has grown and grown. Power inevitably is drawn away from your States, your counties, your cities, your towns to an increasingly centralized National Government—always bigger, always more meddlesome—but not always more efficient nor more responsive to local needs.

This process has undermined individual pride and resourcefulness. It threatens our economic prosperity and dims our vision of a future in which every citizen can help determine his or her fate. As a result, you and I must make some hard decisions this year.

It is all too easy to offer unrealistic suggestions in the heat of an election year, but a President or a Governor in office has to provide accountable and realistic leadership with honest answers to all constituents.

I will never irresponsibly transfer serious problems from the Federal Government to State governments without regard for human need or fiscal realities. I am determined to preserve a constructive partnership with the States on all mutual concerns through cooperation and not through treatment that is worse than the disease.

Let us cooperate to move the decisionmaking process back to the States and to the people. Let us work to assure that we really help the needy and not the greedy. We must clarify and we must simplify the complex, frustrating, and inefficient regulations in categorical grant rigidity that invite abuses and rip-offs. Those sworn to protect the public interest must assure that every tax dollar is used honestly and effectively.

In the campaign for general revenue sharing, I think I have worked longer and harder for that legislation than almost any other. You are well aware of how this $30.2 billion, 5-year program is now administered at the Federal level at a cost of a twelfth of a penny for every dollar spent. You know how our States are now making State decisions on the local use of their Federal taxes. I am now vigorously seeking to extend this excellent program for 5¾ years.

It was last April, almost a year ago, when I asked the Congress to renew revenue sharing so that you could make timely plans and decisions for fiscal year 1977 State budgets. Regrettably, the Congress did not share my sense of urgency. Thus far, it has failed to act, and the deadline is getting closer and closer.

The Nation needs your help, and I am especially pleased by the response that I understand you are undertaking. I have seen your warnings of higher taxes or drastic curtailment of public services if Federal revenue sharing would be unfortunately discontinued. You are right in saying that our present economic recovery would be endangered if the Congress were to end general revenue sharing. It could force the States to fire workers, increase State taxes, and even institute new State taxation.

You know and I know that we must join forces—and I am glad we are—in getting some action on general revenue sharing. I ask you today, as the chief executives of your States, to join me in moving the mountain we know as Capitol Hill. The whole concept of balanced Federal-State relations is at stake.

You are much more aware than anyone of the new realities in your States. If we fail this year to assure continued movement toward general revenue sharing, there will be a new escalation in the categorical programs of an increasingly centralized government. I am determined to shake up, and shape up with your help, the worthwhile and proven programs we now have, rather than permit a proliferation of new and untried programs.

Categorical grants and categorical expectations have created more problems, many more than they have solved. While I expected some criticism of my State of the Union and budget messages—I suspect some of you have had the same—I regret the revival of the old "knee-jerk" response—that I failed to propose enough new Federal programs. We already have more than enough programs. What we need is quality, not quantity. My messages contained proposals that not only improve quality but also reduce quantity.

Let me show you a chart here on the right. When I first looked at that chart in late December, my impression was that it looked like the electronics set-up for our new space shuttle, but the truth is that is the way that Federal dollars for health services go from the top line down to the beneficiaries or the recipients.

It is what we call a mess chart. It is the most complicated, I think, irresponsible, unsuccessful way to deliver health services to the American people with the Federal tax dollar.

After looking at that mess chart and knowing that services are badly delivered to the recipients or the beneficiaries—too expensively, too long delayed—I was convinced beyond any doubt whatsoever that we had to simplify it.

If you look over here on the other side, and if you will note those x's, you will find that under the proposal that I have made for a block grant program of health services, those x's indicate the removal of the Federal excess baggage. It would simplify, it would improve the delivery system of health services to the American people. And, with your cooperation, I think this program is infinitely superior to the one we have.

I can say that in the other three block grant proposals we could substitute the same chart here and it would look virtually identical whether it was in education, child nutrition, or social services. And the alternative chart would be even, in each case, as impressive, if not more so.

Now, I frankly am encouraged by the way the States and localities are responding to the challenge of balanced federalism. Behind the block grant concept is the conviction that you can do a far, far better job in many ways than the Federal Government, and your performance in the past gives me renewed faith.

But we have to do a lot more. The State and localities can lead the way. These block grant programs provide a dramatic and effective way to serve local priorities. Under one such block grant—the Community Development Program, enacted into law in late 1974 after a long and controversial struggle, resulted in the following:

Federal regulations which a community must follow have decreased from 2,600 pages—2,600 pages under the categorical program—to 25 pages for the block grant program.

Under the community development act, a community need file only one application consisting of 50 pages, rather than the previous average of five applications consisting of 1,400 pages.

Under this change from categorical to block grant, the processing and approval of a community development block grant application average 49 days, although under the categorical urban renewal program, processing took over 2 years.

Due to the success that we have had in simplifying the Community Development Program, as I said a moment ago, I am recommending that we use the same approach in other Federal problems involving social services, health, education, and child nutrition.

Therefore, I am asking the Congress to approve the community services act, and I am sending the proposal to the Congress today. It will significantly increase the flexibility of States in delivering social services to low-income families, and I refer in this category to such programs as day care, foster care, and homemaker services.

Many of the responsibilities now placed by law in the hands of Federal bureaucrats will be passed back to locally elected or State-elected officials. The basic responsibility on how best to meet the needs of States' low-income families would be returned to each of your respective States. This determination, as I see it, can best be made through an open process of local planning that directly involves your citizens.

Later this week, I will transmit proposals consolidating Medicaid and 15 other categorical health programs into a single $10 billion block grant. With it—and I think this is significantly important—is a commitment to each of you that your State will receive more Federal funds from this single program in fiscal year 1977 than your State received in 1976 from 16 existing programs.

The hard choices of how best to meet the health needs of your State will no longer be defined by a complicated and categorical tangle of Federal regulations. They will be for you and your citizens to determine in an open and locally responsive process.

I will soon submit to the Congress an education block grant program which would propose to recognize national concerns that call for very special emphasis. It will give each State maximum flexibility in using Federal dollars to meet your educational needs.

I know that all of you have been in the forefront on such issues as school finance reform and education of the handicapped. In the last decade you have demonstrated the ability and the willingness to tackle education problems, and there is no reason whatsoever for the Federal Government to treat you as if we doubted your commitment to goals shared by all Americans.

My proposals will reduce the administrative burdens of State and local governments, while assuring a Federal commitment to elementary and secondary education. No State will receive less Federal money under my proposal than it did in fiscal year 1976 under all of the programs that would be consolidated.

In offering these proposals, I do not suggest a retreat from national concerns nor the wholesale elimination of Federal funding. I intend to make Federal dollars available to you, for you, in your States. But I will also minimize or eliminate the requirement that State financial resources be used to qualify for Federal matching funds.

My administration will not dismantle programs that really work, that reach the people and meet their needs. I will not retreat from my commitment to wise Federal spending to meet local needs. But we need to improve these programs and, wherever appropriate, to return decisionmaking power to the State and local level.

I think my actions have shown my willingness to work individually with you or collectively with your group. Indeed, I have made it a point to confer personally with every one of the 50 Governors since I assumed the Presidency.

As a Congressman, I listened to the warnings of President Eisenhower. He said that unless we preserved the traditional power and basic responsibilities of State government, we would not retain the kind of America previously known. We would instead have quite another kind of America. The pendulum has swung very far in the direction that President Eisenhower feared, but I am very confident that the will of the people voiced all across America is beginning to bring the pendulum of power back to a balanced center.

The preservation of the 50 States as vigorous units of government is very vital. We must make sure, make certain that each level of government performs its proper function, no more and no less, and we must do this to preserve our system and to draw new energy from the sources of all government power—the people throughout this great country.

I believe very strongly in the vitality of America. I reaffirm my faith in the unique value of a governmental system of shared responsibility. I believe in our capacity to foster diversity with unity, to encourage innovation and creativity, both privately as well as publicly, and to achieve a proper balance between government and the governed.

The vision of 200 years ago remains valid today. It is a vision of States united in action, united as a nation, where the government serves and the people rule. It is a challenge, a very great challenge to those of us entrusted with the high honors of governing. I am an optimist. I believe it is a challenge that will be met by all of us.

Thank you very much.

NOTE: The President spoke at 9:30 a.m. in the Presidential Ballroom at the Statler-Hilton Hotel. He was introduced by Governor Robert D. Ray of Iowa, chairman of the conference.

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Special Message to the Congress Urging Enactment of Proposed Community Services Legislation. *February 23, 1976*

To the Congress of the United States:

Today the Secretary of the Department of Health, Education and Welfare is transmitting my proposed Financial Assistance for Community Services Act to the Congress.

This proposal is in keeping with my philosophy of reducing unnecessary and burdensome Federal restrictions while increasing State and local flexibility and responsibility in the administration of social programs.

This reform proposal will improve and strengthen the program of social services established under Title XX of the Social Security Act. It will provide a $2.5 billion block grant annually to the States on a population basis. It will eliminate the requirement for State matching funds, as well as most Federal requirements and prohibitions on the use of Federal funds.

These changes are an important step toward an improved Federal-State relationship in the social services field. Enactment of Title XX in January, 1975, was a beginning. That law eliminated many of the problems of the past by giving States broad authority to allocate resources within a general framework. Rather than making States responsible to the Federal government, accountability for social services was made a matter between each State and its citizens through an open planning process—a process which has shown great promise.

Title XX, however, did not go far enough. It added new restrictions which interfere with effective delivery of services. Officials at State and local levels of government indicate that they are willing and able to assume greater responsibility to gain greater flexibility in meeting local needs.

The proposed Financial Assistance for Community Services Act will:

—Eliminate the requirement that States must match one State dollar for three Federal dollars.

—Eliminate numerous restrictive conditions on how Federal funds may be used: burdensome Federal requirements for child day care; limitations on social services funding for health and institutional care; and procedures for the imposition of fees and the determination of eligibility.

—Concentrate Federal dollars on people most in need, those under the poverty threshold and those receiving public assistance.

—Assure that no State will receive less money as a result of this legislation than it received in fiscal year 1976.

—Decrease Federal monitoring and oversight of State plan requirements and expenditures of funds with the States assuming greater responsibility in this area.

—Improve the public planning process by which citizens and local governments participate in identifying needs and establishing priorities.

I ask the Congress to enact this legislation promptly so that States may begin to use Federal and local money more effectively.

GERALD R. FORD

The White House,
February 23, 1976.

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Statement on Drug Abuse. *February 23, 1976*

DRUG ABUSE is one of the most serious and tragic problems in this country. Its cost to the Nation in terms of ruined lives, broken homes, and divided communities is staggering. In addition to this toll, it is a major cause of crime.

Combating this problem is a major priority of my administration. The appointment of Peter Bensinger as head of the Drug Enforcement Administration is one of the most important I have made as President, because of the critical mission of that agency. I believe we have found in Mr. Bensinger the right combination of proven experience, complete integrity, and full commitment to public service.

The Drug Enforcement Administration is the agency principally responsible for Federal drug law enforcement. It has the often thankless task of seeking out and apprehending some of the cruelest criminals in the world—those who traffic in hard drugs. This is a complex and difficult task. However, if we are to win the war on drugs, these merchants of tragedy and death must be stopped.

I have recommended that the Congress enact legislation which would impose mandatory prison sentences on those convicted of trafficking in hard drugs. I have also met with the leaders of Mexico, Turkey, and Colombia, and with Members of the United States Congress to assure them of my full commitment to curbing the illicit traffic in drugs. I want to take this opportunity to pledge to the American people an all-out Federal effort to combat the drug menace.

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Exchange at a Meeting With Peter Bensinger, Drug Enforcement Administrator, on Drug Abuse. *February 23, 1976*

I AM very sorry, Pete, I couldn't come over to the ceremonies,[1] but I was there in spirit, if not in person. I might add, as June and Dick know, we felt we've got to move ahead even more rapidly and more effectively than we have in the past in trying to do something affirmatively about this problem of drugs.

This situation has gotten far more acute in many of our major metropolitan areas, the difficulties at the Mexican border and other sources. They are of great concern to me, and I think you've got a big job, but I know you can do it.

PETER BENSINGER. Mr. President, I appreciate your confidence. And the mandate that you have set forth through realistic levels of achievement, I think, would be tempered in part by the ability that we can cooperate with foreign governments and the effectiveness we can develop in relationships, both at the State, local, and Federal levels. But I was very encouraged with the people that I met since I have been in Washington from drug enforcement, and with the support I feel the American people have to stop this traffic, this illegal traffic of narcotics.

THE PRESIDENT. We do have a serious problem, as you indicated, at the Mexican border. We have other Latin American countries where the problem is to some extent just as acute. I have talked to the President of Mexico and the President of Columbia, in trying to get their cooperation, and they have fully agreed to do the maximum. So, if we can stop the flow and then handle the problem of domestic drug traffickers, which is a tough one, I think we can gradually eliminate many of the problems we have.

MR. BENSINGER. Mr. President, we will bend our efforts to make sure that foreign eradication of crops proceeds with priority and that we focus on key international importers of narcotics, too, and sharpen up those. I think that will eliminate some of the major importers and financiers. And I think that's what the Federal role should be focused on.

NOTE: The President spoke at 2:33 p.m. in the Oval Office at the White House.

[1] The President was referring to the swearing-in ceremony for Mr. Bensinger as Administrator of the Drug Enforcement Administration, which took place that morning in the Great Hall at the Department of Justice.

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Message to the Congress Transmitting Annual Report of the National Science Board. *February 23, 1976*

To the Congress of the United States:

I am pleased to submit to the Congress the Seventh Annual Report of the National Science Board entitled, "Science Indicators 1974." It has been prepared in accordance with Section 4(g) of the National Science Foundation Act, as amended by Public Law 90-407.

This report is a part of a continuing effort by the National Science Board to develop a statistical and comparative picture of the status of American science and technology. On balance, the data in this report and other evidence indicate that the nation's research and development enterprise continues to be productive and competitive. The report also shows the unfortunate fact that inflation and the recent recession have affected adversely the level of effort and the resources that are devoted to the nation's research and development activities—much the same as other programs have been affected. Fortunately, we are making solid progress in correcting these problems and the prospects for the future are very good.

The nation's research and development efforts are important to the growth of our economy, the future welfare of our citizens, and the maintenance of a strong defense. The nation must also have a strong effort in basic research to provide the new knowledge which is essential for scientific and technological progress. My 1977 Budget now before the Congress reflects my views on the importance of science and technology in achieving our national objectives.

I commend this report to your attention.

GERALD R. FORD

The White House,
February 23, 1976.

NOTE: The report is entitled "Science Indicators 1974—Report of the National Science Board 1975" (Government Printing Office, 242 pp.).

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Toast at a Dinner Honoring the Nation's Governors. *February 23, 1976*

Governors and your delightful wives and guests:

It is a very great pleasure for Betty and myself to have all of you here on the second annual dinner where we have honored all of you who have come to the National Governors' Conference.

As I was sitting here talking to Reubin and Jim and Bill and Cal,[1] I thought to myself how many times I have been in three States. Of course, coming from Michigan, I have been there a couple of times, but I thought to myself how many times I have, over a period of some 25 years or more, visited every one of the 50 States. And I have cherished in many, many ways the warm welcome that I have gotten from chief executives of every State, whether they were Democratic or Republican.

And as I met all of you in the receiving line tonight, every one of you, whenever I have come to your State, have been most generous and very kind. And for that, I thank you, and Betty joins me in that expression of appreciation.

But as I had the opportunity this morning to speak to all of you, I thought of the high degree of unanimity that we appear to have—those of us who are in the executive branch of the government, whether we are at the Federal or at the State level—and I thought of my conflicts with my old friends in the Congress, who are still my friends, but with whom I disagree quite violently on some occasions—not all.

I think it is a totally different experience to be in the executive branch than it is in the legislative branch, and you get a different perspective. And all of you have shared that with each other, and I have had the privilege of sharing it with you.

Somebody has to be in charge, at least as far as the day-to-day operations are concerned. We respect, we seek to work with the legislative branch, and it is vitally important in our system that we do. It is better if we can, but until you have had the experience of being in the executive branch of the government you really don't understand the day-to-day trials and tribulations. So I congratulate all of you who have done your job of responsibility in the executive

[1] Governors Reubin Askew of Florida, James Longley of Maine, William G. Milliken of Michigan, and Calvin L. Rampton of Utah.

branch in your respective States. Let me say, I appreciate it far better today than I did for 25 years when I was on the other side of the fence.

But let me say very deeply and very sincerely, that I am immensely appreciative of the cooperation that I have found in your organization and with each of you individually. I don't mean to be so Pollyannish that we agree on every issue. We have had some pretty stormy meetings in the Cabinet Room where there were some rather strident differences expressed between some of you and myself, or you and some of my associates. But at least there was an understanding that we had a job to do at the Federal, State, and local levels.

The net result in most instances—whether we agreed or disagreed—there was an understanding that I think has pushed us as a country further forward to have a better relationship between the Federal executive and the State executive. And I thank you for all of you going more than halfway, and I can assure you we will seek to go halfway or better, as well. And the net result is, I think, your States and our country are both better off.

So, as we deal with the day-to-day problems of general revenue sharing or block grants or welfare or food stamps, whatever the issues might be, I am grateful for your input and your cooperation.

I am especially appreciative of the warmth of your welcome when either Betty or myself have come to your States. We have enjoyed your hospitality, and we are most grateful for your understanding and cooperation.

With that, I think it is quite appropriate that I offer a toast to all of you and to our joint constituents and to a better America.

NOTE: The President spoke at 10:11 p.m. in the State Dining Room at the White House.

Governor Robert D. Ray of Iowa, chairman of the National Governors' Conference, responded to the President's toast. His remarks are printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 276).

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Remarks Upon Receiving the Boy Scouts of America's Annual Report to the Nation. *February 24, 1976*

LET ME thank you, Arch and Alden and Jeff and David and Larry, for coming here to represent scouting.

I have many fond personal memories of scouting going back a good many years, not only as a scout—they didn't have Cub Scouts in those days—but also as a participant in the senior activities of scouting.

I think the fact that 60 million young men have participated over a period of 66 years, is indicative of the strength that scouting has contributed to a better America. I just hope that scouting goes on forever, because it is a great contributor to all of what we stand for in this country.

I hope that in the future there will be many Presidents who will be honored, as have been, by your presentations today. And I thank you, Jeff and David and Larry, Arch, as well as all of you. This has been a fine opportunity, not only to meet you but all of these outstanding young men and women who are here in the Oval Office on this occasion.

Good luck.

NOTE: The President spoke at 4:23 p.m. in the Oval Office at the White House. In his opening remarks, he referred to Arch Monson, Jr., Boy Scouts of America president; Alden Barber, chief scout executive; Jeff F. Hunsaker and David E. Honigs, national youth representatives of the Cub Scouts and Boy Scouts, respectively; and Larry A. Carpenter, National Explorer president.

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Remarks Congratulating William W. Scranton on His Nomination To Be Ambassador to the United Nations. *February 25, 1976*

LET ME say how pleased I am that my long-time friend, Bill Scranton, is going to be our next Ambassador to the United Nations. He not only has been a good, close, personal friend but a good friend in many, many other ways.

We were just chatting and the Secretary of State indicated that he had been trying to get him to take a position of responsibility for—7 years, was it, Henry?

Bill Scranton has a big job to do. We have got great responsibilities in the United Nations. We are stronger there today. Starting with the Secretary's speech to the Seventh Special Session of the United Nations last fall, where we, I think, made great progress with the underdeveloped countries and, of course, the policy of standing up for the United States against some of these unfair attacks—the actions of Ambassador Moynihan—I think, have been good from the point of view of the United States.

You've got a big job to do carrying out the Secretary's policies and carrying out my decisions, but we are very, very confident, Bill, with your background in a wide variety of areas, including the political scene, will give you the kind of stature and strength and capabilities to do the job that I want you to do and the Secretary of State wants you to do.

So, I thank you very much for taking on the job. Good luck, and I am sure we will see that you are confirmed without too much difficulty.

MR. SCRANTON. I certainly thank you, Mr. President. It is a great honor to have an appointment of this sort and particularly coming from you.

As most of you know, we have been good friends for a long time. And I have tremendous trust and confidence in the President of the United States, as I think a lot of people do, as has been indicated fairly recently.

Henry, may I say to you that I am grateful to you, sir, for coming back and being here today. I was told that one of the reasons they waited until today to do this was because you wanted to be here, and I appreciate that immensely.

I have had several talks with Brent [1] and appreciate all of his helpfulness, and I am grateful to him for his cooperation and education.

It will be a very difficult job. I think everybody is aware that the United States is being attacked in the UN a great deal. I am a Pat Moynihan fan, and I was delighted with the way he handled it and had a long talk with him yesterday in New York. I think we are on the upbend in the United Nations, primarily due to the policy of the President and the Secretary and the activity of Ambassador Moynihan. And I am proud and happy to be his successor and be the delegate from the President of the United States.

THE PRESIDENT. Maybe the Secretary of State would like to make a comment.

SECRETARY KISSINGER. I would like to express my very great pleasure at being able to work with Governor Scranton. The policies which the President has enunciated with respect to the United Nations, which I then stated in Milwaukee at his request and which Ambassador Moynihan carried out so ably, will now have another distinguished representative. And it will be a great pleasure and privilege to work with Ambassador Scranton.

NOTE: The President spoke at 10:15 a.m. in the Oval Office at the White House.

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Memorandum on the Observance of Red Cross Month. *February 25, 1976*

I HAVE just issued a proclamation [4418] which designates March as Red Cross Month.

Our Bicentennial Year is a fitting time to reflect upon the vital role the American Red Cross and its volunteers play in our society to alleviate suffering and

[1] Lt. Gen. Brent Scowcroft, USAF (ret.), Assistant to the President for National Security Affairs.

to meet a vast spectrum of human needs. Early in the nation's history, observers from abroad commented upon our flair for effective voluntary associations. This willingness to be of help to one another epitomizes the American spirit—and the Red Cross perpetuates this heritage.

Through the Red Cross and its Blood Program, we secure an adequate supply of safe blood, voluntarily given; we arm ourselves and others with the knowledge and skills to save lives by enrolling in health, nursing, first aid, water safety and small craft training courses; we assist the thousands of our fellow citizens who have been victimized by natural disasters; and we continue to help over one million servicemen, veterans and their families each year cope with emergency situations.

Within the Federal government, the Red Cross is a part of the Combined Federal Campaign, but more than half of its 3,100 chapters raise all their funds in March. *All* chapters use that month to inform the public of Red Cross services available to citizens and to recruit new blood donors and volunteers.

As President of the United States and Honorary Chairman of the American Red Cross, I urge all civilian employees of the Federal Government and members of the Armed Forces to support this vital voluntary effort to the best of their ability.

GERALD R. FORD

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Remarks Upon Signing a Special Message to the Congress Proposing Health Care Reform Legislation. *February 25, 1976*

Secretary Mathews and your associates in the Department of Health, Education, and Welfare:

As you well know, I am asking the Congress today to enact the Financial Assistance for Health Care Act, which will consolidate Medicaid and 15 categorical Federal health programs into a $10 billion block grant to our various States.

I am proposing that future Federal funding for this new program be increased in increments of $500 million annually. My proposal is designed to distribute Federal health care dollars more equitably and to increase State control over health spending.

My proposal also recognizes what I consider to be a more appropriate Federal role in providing financial assistance to State and local governments to improve the quality and the distribution of health services.

Let me emphasize that no State will receive less Federal money in the future under my block grant proposal than it received in fiscal year 1976 under the programs being consolidated.

My consolidation proposal will allow the States far greater flexibility in providing for the delivery of health care services to those with low incomes. It eliminates the requirements for State matching funds.

My proposal is designed to reduce Federal redtape, increase local control over health spending, and expand public participation in health planning. It is essential to continuing our national progress in the field of health.

I strongly urge the Congress to take affirmative action quickly and positively on this important proposal.

Mr. Secretary, I am signing the message to the Congress so that they can move quickly and, as I said, positively, on this very important proposal.

Thank you very much.

NOTE: The President spoke at 1:53 p.m. at a ceremony in the Cabinet Room at the White House.

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Special Message to the Congress Proposing Health Care Reform Legislation. *February 25, 1976*

To the Congress of the United States:

The health of our people is one of our Nation's most vital resources.

Significant progress has been made in improving the health of the Nation's people during the last 25 years, as can be seen in the reductions in the infant mortality rate, increases in life expectancy, and the conquering of some communicable diseases. This progress has come under a largely private health care system with the support of public funds.

In the past 10 year period (1965–1975) Federal spending for health has increased from $5 billion to $37 billion. With greater Federal funding has come a multitude of Federal programs, regulations and restrictions—all motivated by the best of intentions but each adding to the confusion and overlap and inequity that now characterizes our efforts at the national level.

Today I am proposing to the Congress legislation that addresses these problems. I am asking Congress to enact the Financial Assistance for Health Care Act which will consolidate Medicaid and 15 categorical Federal health programs into a $10 billion block grant to the States. I am proposing that future Federal funding for this new program be increased annually in increments of $500

million plus the amounts needed after 1980 to ensure that no State will in the future receive less under this proposal than it received in fiscal year 1976.

The Financial Assistance for Health Care proposal is being submitted after extensive consultation with organizations representing the publicly elected officials who will be responsible for administering the program. I believe this proposal represents a major step toward overcoming some of the most serious defects in our present system of Federal financing of health care.

My proposal is designed to achieve a more equitable distribution of Federal health dollars among States and to increase State control over health spending. My proposal also recognizes the appropriate Federal role in providing financial assistance to State and local governments to improve the quality and distribution of health services.

The enactment of this legislation will achieve a more equitable distribution of Federal health dollars by providing funds according to a formula giving primary weight to a State's low-income population. The formula also takes into account the relative "tax effort" made by a State and the per capita income of that State.

Let me emphasize that every State will receive more Federal funds in fiscal years 1977, 1978 and 1979 under the block grant than it received in fiscal year 1976. My proposal also allows for a gradual phase-in of the distribution formula in future years to ensure a systematic, orderly transition that will permit States to adjust to the new program.

To assure accountability and responsiveness to the public, my proposal requires each State to develop an annual health care plan as a condition to receiving Federal funds. This plan will be developed through a Statewide public review and comment process which will assure participation by all concerned parties. Thus, increased State responsibility will be coupled with expanded public participation, and accountability in the development of State health policies.

This proposed consolidation of health programs is essential to continue our national progress in the field of health. It is designed to permit States greater flexibility in providing for delivery of health care services to those with low income. It eliminates the requirements for State matching. And it recognizes the need for a cooperative relationship among governments at all levels. My proposal would reduce Federal red tape, increase local control over health spending, and expand public participation in health planning.

While I am proposing to increase State control over health spending, we will continue to concentrate our efforts in areas of appropriate Federal responsibility. For example, my budget proposals for 1977 include the following:

—In food and drug safety, I have asked for $226 million in 1977, an increase of $17 million, to enable further progress in priority areas;

—In the area of drug abuse prevention, I propose almost $500 million for prevention and treatment to expand national drug abuse treatment capacity to meet the current need;

—My budget requests more than $3 billion for health research, including continued support of major national efforts in cancer and heart disease research and support for new scientific opportunities in the fields of environmental health, aging, and immunology;

—In our effort to improve the training and utilization of doctors and other health professionals, I have requested new legislation and funding of $319 million, designed to concentrate on the problems of geographic and specialty maldistribution of health professionals;

—To assist local communities to attract physicians, dentists and other health professionals to underserved areas, I am proposing to expand the National Health Service Corps demonstration program 38% from $18 million to $25 million;

—To assist the development of a strong health maintenance alternative, I have directed HEW to move rapidly in administering the dual option provisions of the HMO Act. And, to complete the 5-year effort to demonstrate and test the health maintenance organization concept, I have requested an additional year's authorization for new commitments. As of last June, there were 10 health maintenance organizations certified through the dual option provisions;

—To provide improved health services to American Indians and Alaska Natives, I am asking for $355 million. Spending by the Indian Health Service alone in 1977 will result in over $685 per beneficiary, or over $2,740 per Indian family of four;

—In the area of veterans' health care, I have requested $4.5 billion to assure continued quality care by providing for increases in medical staff and research related to VA health care delivery.

A realistic assessment of the present health care programs and the responsibilities of Federal, State, and local governments fully demonstrates that the reforms I am proposing in Federal health care are needed now. The Medicare Improvements of 1976 that I recommended to the Congress on February 11 also represents a balanced response to needed program reforms. This proposal is designed to improve catastrophic health cost protection for our aged and disabled, re-

strain cost increases in the Medicare program and provide training [financing] for the hospital insurance trust fund.

I request that the Congress give both these measures the earliest possible consideration.

GERALD R. FORD

The White House,
February 25, 1976.

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Remarks at a Reception for Delegates to the 16th Mexico-United States Interparliamentary Conference. *February 25, 1976*

Senator Olivares, Senator Mansfield, distinguished members of the Mexican-U.S. parliamentary group:

It is a great privilege and pleasure for me to welcome the delegation, the delegates and their spouses to the White House.

It is my understanding that last year President Echeverría hosted the delegation when they were in Mexico. It is my understanding that this is the 16th gathering or getting together of the Mexican-U.S. parliamentary group.

I was never privileged, when I was a Member of Congress, to be a member of this parliamentary group, and I regretted that failure very much. My inability to make the U.S. delegation when I was in Congress doesn't mean I don't have a great interest in interparliamentary or parliamentary gatherings of nations around the world. I was on the U.S. interparliamentary group on four occasions, and I was privileged to serve on two occasions in the Canadian-U.S. parliamentary group.

I am a very strong believer in the annual gathering of parliamentarians on a bilateral, as well as a multilateral basis. This method of getting together by parliamentarians is, I think, a great help and assistance to those in the executive branch of the Government.

The first trip outside of the United States that I took on becoming President was to the country of Mexico, in October of 1974. In my opportunity to meet with President Echeverría, we had extensive talks both on the United States side as well as the Mexican side. And it is my strong feeling that parliamentarians getting together add to the substance of the talks between the executives of two great countries.

When I met with the President of Mexico, we talked about trade, tourism, investment, the narcotics problem, border difficulties, and I am sure that in your consultations here in the United States you will likewise involve yourselves in those very important issues. I am sure that President Echeverría and myself will welcome any recommendations that come from this group as you consult on those very important issues.

It is my understanding that you are going to do a little traveling around the United States. I know that you will be very warmly received. The American people and those from your country, Mexico, have a great feeling on behalf of one another. And the American people will reflect our warmth of feeling toward the people of Mexico as they welcome you in their respective communities.

I am led to believe you are going to end your trip in one of my favorite places in the United States. [*Laughter*] I wish I could qualify as a parliamentarian and join you, but I know that before you get to Vail, Colorado, you will have had a wonderful time in the United States. And I can assure you, whether you ski or don't ski, you can really enjoy the benefits and blessings of the American Rockies and, particularly, Vail, Colorado.

If you don't know it already, a great many people from Mexico go to Vail. As a matter of fact, they bought or built—I am not sure which—a very fine building with many condominiums right at the base of the mountain and right next to the golf course.

I just urge you not to fall while you are out there, and particularly don't do it if there are any cameras around. [*Laughter*]

I welcome you again, and will you express to President Echeverría my very, very best? And I am looking forward to your newly elected President sometime in 1976.

Good luck, and God bless you all.

SENATOR OLIVARES. *President Ford, Senator Mansfield, Ambassadors of Mexico and the United States:*

I had the privilege of accompanying President Echeverría in the meeting that he held with President Ford in Magdelena Sonora. And I can see right now that the bonds of fraternal friendship and mutual respect between the leaders of our two respective countries continue to persist.

We Mexican Congressmen and Senators have come here to gather together for the 16th time to discuss with the Members of Congress, our friends from the United States, matters of common concern, without any obstacles in our path, without any bad weeds that block our path, because this is a clear path of friendship that we have been following for these last 16 years.

And, therefore, President Ford, we come here once more to this home of the Presidents of the American people. That emphasizes the great significance that we attribute to the mutual respect and friendship that exists between our two peoples.

Sixteen years have passed since, for the first time, legislators of this great country and of our own gathered to discuss the problems that are common to us and also to consider the aspirations that each one of our peoples has and tries to win, and we have continued this fruitful dialog.

Throughout these years, we have been able to bind together with special dedication and effort the friendly relations based on respect and understanding that today permits both Mexicans and Americans to offer an example of cordial and civilized relationships.

Members of Parliament of both of our countries are dedicated to prove that politics is a peaceful confrontation between our ideological principles and the programs with which each people wishes to open a path towards a brighter future of welfare and of justice.

We have come to Washington to present our respects to the President of the American people and to tell him that with renewed trust we begin our 16th meeting, convinced that the path towards international understanding—nothing can replace a direct relationship between leaders, between legislators, between social leaders.

Our very extensive geographic border brings with it complications and phenomena that we cannot ignore and that also cannot be resolved by magic and all of a sudden.

Never before in the world have we seen such a rapid development in every possible field. Never before have the captive forces of nature, converted into military power, placed in certain danger and grave risk mankind itself. But within the context of this reality, we believe that the positive prospective for the developments of humankind are greater and have more energetic possibilities than the threats for its destruction.

In the past fews years, every society has had to change and adapt its own structures of society in order to try to satisfy the aspirations of its people, to change its structures according to the demands of the people to meet their needs and to build an international society that is based on equity, welfare, and peace. As never before, the destiny of mankind is indivisible, as was stated by President Echeverría when he proposed the charter of the economic rights and duties of states.

The vibrant reality of everyday life shows that, in effect, no society can think

about its total development on the basis of isolation and in the search of a self-sufficiency which ever-increasingly becomes more sterile because of its impossible nature and because of its utopian nature.

Throughout these conversations among friends, President Ford, we are going to bear in mind this fundamental fact of the increasing interdependence of the contemporary world. And we will discuss the ways how, within the framework of this situation, we can reach a better understanding and help each other better.

We will take up bilateral problems that once more will bring us to insist on our own points of view. We shall speak about the United Nations and the inpostponeable necessity of guaranteeing and enriching its existence.

We will make reference to the Organization of American States and to its adaptation to the new times. We will review our joint efforts to control, combat, and banish this calamity for the contemporary world represented by the traffic in drugs. We shall analyze the basic concepts on the Law of the Sea and, very particularly, the one pertaining to the economic exclusive zone.

We will, once again, take up the protection of human rights under all types of circumstances, and we will speak of democracy and of its destiny within this Western Hemisphere. And we will also take up the economic problems both on a bilateral and international level.

President Ford, you—who have been a Member of Congress and know the real worth of politics, understood in its deepest and most noble sense—at the same time know that our efforts are not sterile and are aware, as you have said, that our conversations will not lead to executive agreements but will lead to the formation of opinions and points of view and concepts that one way or another will contribute to a better direction for the public affairs of both this great country and of Mexico.

The United States are celebrating this year the Bicentennial of its independence. This independence was for many peoples of the Americas and of the entire world a guide and a model for their own struggles for freedom.

Mexico, like the United States, believes that there is nothing of more importance than national independence and, therefore, as you do, we recall with veneration always the forefathers and the founders of the Mexican nation, those who were capable of overcoming and winning over colonialism at the beginning of the 19th century in order to establish the basis of our own national sovereign life.

On behalf of the Members of the Lower House, the Congress and the House of Representatives and the Senate, President Ford, who are members of this Mexican delegation and, especially, the cochairman, Deputy Luís Danton Rod-

riguez, and myself, please permit me to express to you the best wishes for the welfare of the American people and for the health and good fortune of you and your family. And in shaking hands, President Ford, I feel we are shaking hands symbolically with Franklin, Washington, and Jefferson, the builders of this great Nation.

Finally, President Ford, I have the honor to carry out a mission entrusted to me by President Echeverría to give you these three volumes that have been recently published. One is called, "Mexico is Like This," and the other two represent the purest expression of our Mexican artisanship. And I hope through these three volumes, you will receive the reiteration of the testimony of friendship by the President of our country for the President of this great country, and also for the Members of Congress.

To you, sir.

THE PRESIDENT. Let me thank you, Senator Olivares, and all of you from the Mexican delegation, for this thoughtfulness in bringing this wonderful gift from President Echeverría. I have had several wonderful experiences in Mexico, and I am sure in the volumes here there will be an opportunity for me to refresh my great memories of those delightful times in your country.

I reiterate my warm welcome to all of you in the White House. I welcome you again on behalf of all of the American people and wish you well in your travels.

Thank you very, very much.

NOTE: The President spoke at 3:10 p.m. in the State Dining Room at the White House. In his opening remarks, he referred to Senator Enrique Olivares Santana, president of the Mexican Senate, and Senator Mike Mansfield of Montana.

Senator Olivares spoke in Spanish. His remarks follow the translation by an interpreter.

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Remarks and a Question-and-Answer Session With Members of the Inland Daily Press Association. *February 25, 1976*

Mr. Roth, Mr. Brown, Mr. Boykin, members of the Inland Press, and guests:

It is awfully nice to have you here in the East Room of the White House. I remember very vividly my opportunity to get together with all of you in 1974 in Denver. As I recall, we used at that time much the same format as we are anticipating this afternoon, a very limited comment by me followed by questions from all of you.

It is not my birthday today—[*laughter*]—but I did get a fairly good present in the last 24 hours.

So, with those very general and not very consequential observations, I will be glad to answer any questions. Don't be so shy. [*Laughter*]

Questions

NEW HAMPSHIRE PRIMARY ELECTION VICTORY

[1.] Q. Mr. President, can you tell us what your reactions are to your rather narrow victory in New Hampshire?

The President. I naturally was very pleased. I went to bed about 11:30 last night and woke up at 5:30, the usual time, and I turned the radio on, and the news was very good. I think we really mounted an effective campaign, starting about 3 weeks ago.

The first trip to New Hampshire was, I think, very effective, culminating in a tremendous meeting with the students at the University of New Hampshire, which was a highlight, actually, of that weekend. And then we had an excellent trip down to Florida, and that momentum started to build up, and then we had a very favorable meeting in New Hampshire, in Keene and Dover, last weekend.

And of course, the good economic news of the last 3 weeks—the employment up, unemployment down, the Wholesale Price Index and the Consumer Price Index, plus the other developments—all started the momentum going.

I can't help but comment, though. Some of those who didn't do so well yesterday seemed to be satisfied with second. I never knew of any political campaign where running second was very beneficial.

But we are very happy, and we expect to keep going. And with the momentum we have, I am confident we will end up in Kansas City with a good victory, and we will end on November 2 with a bigger one.

VICE-PRESIDENTIAL RUNNING MATE

[2.] Q. Mr. President, have you given any consideration to who you would like to be the candidate for Vice President?

The President. I mentioned a number of them a week or two ago. I hesitate to add to or subtract from that list. I got in enough trouble just suggesting a number of the potentials that we have. [*Laughter*] I happen to believe the Republican Party at the Federal, as well as the State level, has a great wealth of potential Vice-Presidential candidates. And, therefore, I don't want to preclude anybody from getting in the ballgame and working with me to unify the Republican Party and present a good team in the general election.

FORMER PRESIDENT NIXON'S VISIT TO CHINA

[3.] Q. Mr. President, there seems to have been some speculation that Richard Nixon's trip to China has in fact had a dampening effect on your votes. Do you have any comment on that?

THE PRESIDENT. I have seen what others have said. I hesitate to evaluate the impact, good or bad, on the election yesterday. My general impression is that there was a minimal impact, but others differ with that. And we will try to assess it as we look at the final results.

Q. Will you or someone from your staff meet with Mr. Nixon when he returns from China?

THE PRESIDENT. As has been indicated, if Mr. Nixon, when he gets back, feels there is something significant that ought to be conveyed to the administration, we expect that it will be given to the administration through the Department of State. But we will wait till he gets back and let him indicate whether there is something significant that he would like to convey to us.

PUBLIC EMPLOYMENT LEGISLATION

[4.] Q. Is there any kind of public works bill that the Congress might pass that you would feel you would be able to sign?

THE PRESIDENT. The bill I have indicated I would support is one that the Secretary of HUD, Carla Hills, has worked on with Senator Griffin and Congressman Brown. It would provide roughly $740 million as an add-on to the community development appropriation bill. The community development program is a program of about $3,300 million that goes to the municipalities and other units of government to cover what used to be urban development, model cities, and five other programs.

We think this is a better answer than some typical public works program because the cities and other local units of government are ready right now. It is a going program, and if the Congress would go along with that, I think that is the best way to answer the employment problem as quickly as possible.

We are working to see if the Congress won't accept that proposal. And although I hesitate to add to the budget, I think in the spirit of compromise, we would go along with that approach of adding about $740 million because it is the quickest and the best way to get jobs at the local level.

U.S. POLICY AT THE UNITED NATIONS

[5.] Q. Mr. President, today you announced the new leadership at the United Nations. Does that signify or signal any rough change in our policy there?

THE PRESIDENT. Not at all. Bill Scranton will carry out my policies. My policies were those that Pat Moynihan carried out, so the switch from Moynihan to Scranton will not in any way whatsoever change our policies.

As I said this morning, at the time I made the announcement of Bill Scranton's nomination, we are stronger at the United Nations today than we have been for a good many years. It started when Secretary Kissinger made a presentation to the Seventh Special Session of the United Nations last fall, followed by Ambassador Moynihan's actions and speeches in the United Nations since January of this year. Bill Scranton will carry out those policies, which I think have been very effective.

I don't want to be all on the left side here. [*Laughter*]

THE PRESIDENT'S ECONOMIC POLICY

[6.] Q. Mr. President, most of the unsuccessful candidates in New Hampshire were promising full employment. Do you promise full employment and, if not, in light of the improvement in the economic climate reported in recent weeks, what are your terms for substantial employment?

THE PRESIDENT. I promise substantially increased employment without the ravages of inflation. I believe the policies we are pursuing at the present time will result in a continuous downward trend in the cost of living. I believe it will also provide for increased employment opportunities primarily in the private sector where five out of the six jobs in this country today exist.

I think anyone who promises overnight, quick-fix, full employment isn't being candid with the American people. And, I think, the American people are smarter than anybody who is compaigning for an elective office who says, "You elect me and I will turn a switch and all of you will have jobs."

I think the American people know that can't happen. They are, in my opinion, very hungry for frankness and the proper approach then is to tell them the facts. And, if they are told the facts, they will understand that we have to have a firm, constructive policy in the employment-inflation area that will bring meaningful jobs, permanent jobs with an opportunity for advancement, and a continuous, effective campaign against inflation.

RESTORATION OF CONFIDENCE IN THE PRESIDENCY

[7.] Q. Mr. President, when you came into office you indicated that one of your main goals was to restore public faith in the office of the Presidency. Considering the statistics and the polls, do you feel the Presidency has been restored to its former height?

THE PRESIDENT. Well, every poll we have seen where they break down what you like and don't like about President Ford and the other candidates, every poll that gives an individual the opportunity to say, "Do you think President Ford is honest?" et cetera—we do very well. So, if that is the criteria, I think we have restored honesty and frankness and straightforwardness to the White House.

NEW HAMPSHIRE DEMOCRATIC PRIMARY RESULTS

[8.] Q. Mr. President, as a keen political analyst, would you care to comment on the results of the Democratic primary in New Hampshire?

THE PRESIDENT. It looks like a horse race to me—[*laughter*]—and I am not a gambling man. But I still think when they get all through these gyrations, Hubert [1] will probably be the nominee. I have said that for over a year, and I think the odds are getting better and better.

MINIMUM WAGE RELATING TO YOUTH EMPLOYMENT; ENERGY LEGISLATION

[9.] Q. Mr. President, it was obvious, or it seemed obvious to me from your veto of that so-called job creation bill, that you didn't think that that was a very serious—even though it was a grandiose—scheme.

Now, there are some real fundamental schemes, as the Chinaman says about the journey that begins with a single, simple step, such as doing something about the minimum wage so that our youngsters of all shades and backgrounds can expect to undertake jobs in the private sector where they perhaps are not worth at the starting wage that they normally have to be put under.

Is anything being done, for instance, to clean up the natural gas and the fuel oil and the gasoline prices that are holding down jobs in that sector where there are literally thousands of jobs available? Or is anything being done about Mr. Burns' [2] suggestion that perhaps unemployment compensation for many people has become a way of life, instead of cutting off at some point that would spur people to leave the old gold mine and look for a new one?

THE PRESIDENT. Let me answer the one concerning youth employment as it relates to the minimum wage. When I was in the House of Representatives, we went through, periodically, the struggle to achieve what was called a youth differential. I always supported a youth differential, because I think it is very important to get good work habits established with the young people. And an employer needs to have some incentive to employ a young person who is inexperienced, who has virtually no expertise in the particular job.

[1] Senator Hubert H. Humphrey of Minnesota.

[2] Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System.

Unfortunately, we never did as well in that area in getting that kind of an amendment to the legislation. I still believe in it and I hope the Congress, if and when they pass any changes in the Fair Labor Standards Act, that they will include a youth differential proposal. It's very meaningful.

Now, in the area of deregulation of natural gas and the stimulation of greater domestic production of oil, we fought very hard, both in the Senate as well as in the House, to get a permanent deregulation of natural gas. And, somewhat reluctantly, I signed this energy bill that was put on my desk last December. The one that I signed was a step forward. It eventually, over a period of 40 months, will result in deregulation of prices as far as fuel oil is concerned.

The Congress in both cases is very reluctant to pass legislation that would really, in any way in 1976, increase prices. It is a very short-sighted point of view because all it means is that we will be delayed 1 or 2 years, maybe longer, and it will result in greater and greater reliance on foreign oil. It would be far better if we used our own natural gas, our own supplies of crude oil here in the United States.

So until we can get the Congress to move, certainly in deregulation of gas, and until we can get some forward movement under the present energy bill, I don't think you are going to see any great stimulation of domestic production either in gas or in oil.

And the third point?

UNEMPLOYMENT

[10.] Q. How about Mr. Burns' statement that the unemployment has gone on so long that for some people it is a way of life, and they don't go out and look for a job?

THE PRESIDENT. Well, I was very encouraged in the report that came to my desk yesterday that new applications for unemployment were down. The total number of people on covered unemployment were down. So I think we are gradually working out of that heavy burden of unemployment, and with the figures we got 2 weeks ago, I am confident that the economy is coming back so that problem will be resolved.

COMMUNITY DEVELOPMENT PROGRAM

[11.] Q. Mr. President, on the community development program again, I wrote down 15,000 people who were hit last year by a devastating tornado, who lost half of their goods. And because we don't have unemployment and the ghetto problems of great cities, we find we don't qualify for a lot of the Federal

aid that might be coming through these programs. I was wondering if you have given that any consideration, that smaller towns don't qualify for big city aid?

THE PRESIDENT. In the legislation that I was discussing a moment ago, in the $740 million program under the Community Development Act, 25 percent of that money was allocated to communities under 50,000. So I am sure that a community such as the one you describe would be eligible for help and assistance.

POLICY DIFFERENCES BETWEEN PRESIDENT FORD AND RONALD REAGAN

[12.] Q. What were some of the major issues developed in the New Hampshire primary?

THE PRESIDENT. What are some of the major issues developed in the primary? I think one of the major issues was the very definite difference in my approach and in former Governor Reagan's approach on how we would get local responsibility to handle the problems that exist in the whole United States at the local level.

My approach is one of taking Federal money, giving it to the States and to the local communities and letting them make the decisions as to how that money should be spent. And Governor Reagan's proposal is to take away the Federal funds and tell the States and local units of government that, if they want to solve the problems, they have to take additional tax money at either the State or the local level. I think the approach that we have recommended is the preferable one, and I think it was a factor in the election in New Hampshire.

There were some other issues where we got into some differences on how there should be a financing of the social security program, how it should be managed, the trust fund. But I really think the fiscal issue and the delivery of services to the local people was rather significant.

BETTY FORD

[13.] Q. I would like to commend you for letting Betty speak her mind. [*Laughter*]

THE PRESIDENT. I knew when I married her she would. [*Laughter*] So she hasn't changed, and I don't think she will, and I am real proud that her polls are better than mine.[*Laughter*]

Q. In relation to that, how does she enjoy being on the campaign trail without you in Florida?

The PRESIDENT. I talked to her last night about midnight and she said she had a good day in Jacksonville. She enjoys the opportunity to get out and participate.

Half of the trip is nonpolitical and half of it is political. She enjoys it, and she is a big help and assist. So, I don't have to urge her.

DÉTENTE AND ITS RELATION TO ANGOLA

[14.] Q. Mr. President, in the area of détente, your critics at home say that it is all our give and their take. Certainly the leadership of China believes this. Russian expansionism is at the highest peak as it has ever been, and as we see what they have done in Angola through supplies and help with Cuban manpower, it seems that their point is right. I would like to know how you feel that we're getting anything out of it and they're not getting everything?

THE PRESIDENT. First, I categorically deny that in our relations with the Soviet Union they have benefited more than we. That just is totally inaccurate.

Now, if we are going to talk about Angola, the blame should not be laid at the White House. The blame should be laid at Capitol Hill because I strongly said that we had to meet the challenge without U.S. military personnel in Angola.

I signed a necessary document that said we would use certain amounts of money to provide arms to the FNLA [National Front for the Liberation of Angola] and to the UNITA [National Union for the Total Independence of Angola] forces—two out of the three forces in Angola. With the release of that money those two forces were beating the MPLA [Popular Movement for the Liberation of Angola]. And until the Congress said no, the forces we were supporting were prevailing. But the minute the Congress said no, and we couldn't provide our allies with what they needed, then the Soviet Union and Cuba won. It is just that simple.

That is not a fault of the administration or the executive branch. The Congress just failed to stand up and do what they should have done. So there can't be any blame of the executive branch in failing to challenge the Soviet Union. The Congress bugged out. That is just what it amounted to.

So I can assure you, whether it is in Angola or any place else, we are going to meet forthrightly the challenge of any nation that has aggressive interests beyond what we think are reasonable and fair. We challenged them in Angola, but we were precluded from doing what was necessary.

I hope the Congress, if it happens again will have a different attitude. And if they will, I think we can prevent expansionism any place throughout the world, as I think we should.

What really worries me—and I was talking to a very astute person this morning about this—if you will refresh your memories, you will recall in the 1930's

when Mussolini went into Ethiopia and the Allies did nothing, absolutely nothing, that was the invitation for further aggression, whether it was in Africa in that instance, or elsewhere.

Now I am not saying Angola is identical, but it has enough similarity that we ought to look in past history and learn from it. And I hope the Congress recognizes that every time we fail to act where aggression is obvious, it just invites a greater action someplace else.

We are going to meet the challenge unless the Congress continues to handcuff us.

And let me assure you that if we sign a SALT agreement, it will be an agreement in our interest in world peace; it will be a good, two-way, Yankee trader agreement, nothing more, nothing less.

REPORTER. Thank you very much, Mr. President.

THE PRESIDENT. Thank you all.

NOTE: The President spoke at 5:07 p.m. in the East Room at the White House. In his opening remarks, he referred to Ralph S. Roth, president, Robert N. Brown, chairman of the board, and William G. Boykin, executive secretary, Inland Daily Press Association.

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Remarks Upon Signing a Special Message to the Congress Urging Enactment of Proposed Energy Legislation. *February 26, 1976*

Secretary Richardson, Secretary Kleppe, distinguished members of the administration:

Just over 2 years ago the Arab embargo taught us that the United States had become far, far too dependent upon other countries for our oil supplies. We learned the high price of excessive dependence in dollars as well as in jobs.

Today, there is a very real danger that present conditions may lull us into a false sense of security. The long lines at the gasoline stations have faded from most of people's memories. But we still have a very, very serious energy problem. The problem is that we are still far too dependent on foreign sources of oil. This problem will get worse if we don't act quickly and effectively.

During the past year I have placed before the Congress a comprehensive set of legislative proposals designed to help us achieve our goal of energy independence. My budget for fiscal year 1977 provides for a 30-percent increase in funding for energy research and development. I have taken the steps necessary and

possible within existing authority. The need now is for congressional action.

I am announcing today a significant new legislative proposal which would establish a clear procedure, as well as a timetable, for bringing needed natural gas supplies from the North Slope of Alaska to the lower 48 States.

After months of debate on energy, the Congress has completed action on only one major piece of energy legislation. My 18 other major legislative proposals which are absolutely essential to achieve our national energy goals still await action by the Congress. Legislative action to deregulate the price of new natural gas is the most essential of these legislative proposals if we are to achieve energy independence.

The bill passed by the Senate would increase 1985 production by over 25 percent—25 percent more, I emphasize—than under current regulations, cutting oil imports by almost 3 million barrels per day. Unfortunately, the House of Representatives has not shown the same foresight and the legislation that it has passed would further speed the decline in domestic natural gas production.

In the long run, the American people will pay more under current regulations than if we act to stimulate domestic production in natural gas.

Naturally, I hope that the Congress will show some wisdom and do some affirmative action in trying to increase our domestic production, and the best way they can do it is to pass the bill that I recommended, or the version passed by the United States Senate.

At this time, I will sign the message which will go to the Congress urging the Congress to act, and act promptly.

NOTE: The President spoke at 2:11 p.m. in the Cabinet Room at the White House. In his opening remarks, he referred to Secretary of Commerce Elliot L. Richardson and Secretary of the Interior Thomas S. Kleppe.

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Special Message to the Congress Urging Enactment of Proposed Energy Legislation. *February 26, 1976*

To the Congress of the United States:

A little over two years ago, the Arab embargo proved that our Nation had become excessively dependent upon others for our oil supplies. We now realize how critical energy is to the defense of our country, to the strength of our economy, and to the quality of our lives.

We must reduce our vulnerability to the economic disruption which a few foreign countries can cause by cutting off our energy supplies or by arbitrarily raising prices. We must regain our energy independence.

During the past year, we have made some progress toward achieving our energy independence goals, but the fact remains that we have a long way to go. However, we cannot take the steps required to solve our energy problems until the Congress provides the necessary additional authority that I have requested. If we do not take these steps, our vulnerability will increase dramatically.

In my first State of the Union Address last year, I pointed out that our vulnerability would continue to grow unless a comprehensive energy policy and program were implemented. I outlined these goals for regaining our energy independence:

—First, to halt our growing dependence on imported oil during the next few critical years.

—Second, to attain energy independence by 1985 by achieving invulnerability to disruptions caused by oil import embargoes. Specifically, we must reduce oil imports to between 3 and 5 million barrels a day, with an accompanying ability to offset any future embargo with stored petroleum reserves and emergency standby measures.

—Third, to mobilize our technology and resources to supply a significant share of the free world's energy needs beyond 1985.

In pursuing these goals, we have sought to provide energy at the lowest cost consistent with our need for adequate and secure supplies. We should rely upon the private sector and market forces since it is the most efficient means of achieving these goals. We must also achieve a balance between our environmental and energy objectives.

These goals were reasonable and sound a year ago and they remain so today.

Since January of 1975, this Administration has initiated the most comprehensive set of energy programs possible under current authority. This includes actions to conserve energy, to increase the production of domestic energy resources, and to develop technology necessary to produce energy from newer sources.

During this time, I have also placed before the Congress a major set of legislative proposals that would provide the additional authority that is needed to achieve our energy independence goals.

Thus far, the Congress has completed action on only one major piece of energy legislation—the Energy Policy and Conservation Act—which I signed

into law on December 22, 1975. That law includes four of the original proposals I submitted to the Congress over a year ago. Eighteen other major legislative proposals still await final action by the Congress.

Natural Gas

The need for Congressional action is most critical in the area of natural gas. We must reverse the decline in natural gas production and deal effectively with the growing shortages that face us each winter.

Deregulating the price of new natural gas remains the most important action that can be taken by the Congress to improve our future gas supply situation. If the price of natural gas remains under current regulation, total domestic production will decline to less than 18 trillion cubic feet in 1975. However, if deregulation is enacted, production would be about 25 percent higher by 1985. Natural gas shortages mean higher costs for consumers who are forced to switch to more expensive alternative fuels and mean, inevitably, an increasing dependence on imported oil. Curtailment of natural gas to industrial users in the winters ahead means more unemployment and further economic hardships.

Therefore, I again urge the Congress to approve legislation that will remove Federal price regulation from new natural gas supplies and will provide the added short-term authorities needed to deal with any severe shortages forecast for next winter.

I also urge prompt action by the Congress on a bill I will be submitting shortly which is designed to expedite the selection of a route and the construction of a transportation system to bring the vast supplies of natural gas from the north slope of Alaska to the "lower 48" markets. This legislation would make possible production of about 1 trillion cubic feet of additional natural gas each year by the early 1980s.

We expect imports of liquefied natural gas (LNG) to grow in the next several years to supplement our declining domestic supply of natural gas. We must balance these supply needs against the risk of becoming overly dependent on any particular source of supply.

Recognizing these concerns, I have directed the Energy Resources Council to establish procedures for reviewing proposed contracts within the Executive Branch, balancing the need for supplies with the need to avoid excessive dependence, and encouraging new imports where this is appropriate. By 1985, we should be able to import 1 trillion cubic feet of LNG to help meet our needs without becoming overly dependent upon foreign sources.

Nuclear Power

Greater utilization must be made of nuclear energy in order to achieve energy independence and maintain a strong economy. It is likewise vital that we continue our world leadership as a reliable supplier of nuclear technology in order to assure that worldwide growth in nuclear power is achieved with responsible and effective controls.

At present 57 commercial nuclear power plants are on line, providing more than 9 percent of our electrical requirements, and a total of 179 additional plants are planned or committed. If the electrical power supplied by the 57 existing nuclear power plants were supplied by oil-fired plants, an additional one million barrels of oil would be consumed each day.

On January 19, 1975, I activated the independent Nuclear Regulatory Commission (NRC) which has the responsibility for assuring the safety, reliability, and environmental acceptability of commercial nuclear power. The safety record for nuclear power plants is outstanding. Nevertheless, we must continue our efforts to assure that it will remain so in the years ahead. The NRC has taken a number of steps to reduce unnecessary regulatory delays and is continually alert to the need to review its policies and procedures for carrying out its assigned responsibilities.

I have requested greatly increased funding in my 1977 budget to accelerate research and development efforts that will meet our short-term needs to:

- make the safety of commercial nuclear power plants even more certain;
- develop further domestic safeguards technologies to assure against the theft and misuse of nuclear materials as the use of nuclear-generated electric power grows;
- provide for safe and secure long-term storage of radioactive wastes;
- and encourage industry to improve the reliability and reduce the construction time of commercial nuclear power plants.

I have requested additional funds to identify new uranium resources and have directed ERDA to work with private industry to determine what additional actions are needed to bring capacity on-line to reprocess and recycle nuclear fuels.

Internationally, the United States in consultation with other nations which supply nuclear technology has decided to follow stringent export principles to ensure that international sharing of the benefits of nuclear energy does not lead to the proliferation of nuclear weapons. I have also decided that the U.S. should make a special contribution of up to $5 million in the next five years to strengthen the safeguards program of the International Atomic Energy Agency.

It is essential that the Congress act if we are to take timely advantage of our nuclear energy potential. I urge enactment of the Nuclear Licensing Act to streamline the licensing procedures for the construction of new power plants.

I again strongly urge the Congress to give high priority to my Nuclear Fuel Assurance Act to provide enriched uranium needed for commercial nuclear power plants here and abroad. This proposed legislation which I submitted in June 1975, would provide the basis for transition to a private competitive uranium enrichment industry and prevent the heavy drain on the Federal budget. If the Federal Government were required to finance the necessary additional uranium enrichment capacity, it would have to commit more than $8 billion over the next 2 to 3 years and $2 billion annually thereafter. The taxpayers would eventually be repaid for these expenditures but not until sometime in the 1990's. Federal expenditures are not necessary under the provisions of this Act since industry is prepared to assume this responsibility with limited government cooperation and some temporary assurances. Furthermore, a commitment to new Federal expenditures for uranium enrichment could interfere with efforts to increase funding for other critical energy programs.

Coal

Coal is the most abundant energy resource available in the United States, yet production is at the same level as in the 1920's and accounts for only about 17 percent of the Nation's energy consumption. Coal must be used increasingly as an alternative to scarce, expensive or insecure oil and natural gas supplies. We must act to remove unnecessary constraints on coal so that production can grow from the 1975 level of 640 million tons to over 1 billion tons by 1985 in order to help achieve energy independence.

We are moving ahead where legislative authority is available.

The Secretary of the Interior has recently adopted a new coal leasing policy for the leasing and development of more coal on Federal lands. To implement this policy, regulations will be issued governing coal mining operations on Federal lands, providing for timely development, and requiring effective surface mining controls which will minimize adverse environmental impacts and require that mined lands be reclaimed. As a reflection of the States' interests, the Department proposes to allow application on Federal lands of State coal mine reclamation standards which are more stringent than Federal standards, unless overriding National interests are involved.

I have directed the Federal Energy Administration and the Environmental Protection Agency to work toward the conversion of the maximum number of

utilities and major industrial facilities from gas or oil to coal as permitted under recently extended authorities.

We are also stepping up research and development efforts to find better ways of extracting, producing and using coal.

Again, however, the actions we can take are not enough to meet our goals. Action by the Congress is essential.

I urge the Congress to enact the Clean Air Act amendments I proposed which will provide the balance we need between air quality and energy goals. These amendments would permit greater use of coal without sacrificing the air quality standards necessary to protect public health.

Oil

We must reverse the decline in the Nation's oil production. I intend to implement the maximum production incentives that can be justified under the new Energy Policy and Conservation Act. In addition, the Department of the Interior will continue its aggressive Outer Continental Shelf development program while giving careful attention to environmental considerations.

But these actions are not enough. We need prompt action by the Congress on my proposals to allow production from the Naval Petroleum Reserves. This legislation is now awaiting action by a House-Senate Conference Committee.

Production from the Reserves could provide almost one million barrels of oil per day by 1985 and will provide both the funding and the oil for our strategic oil reserves.

I also urge the Congress to act quickly on amending the Clean Air Act auto emission standards that I proposed last June to achieve a balance between objectives for improving air quality, increasing gasoline mileage, and avoiding unnecessary increases in costs to consumers.

Building Energy Facilities

In order to attain energy independence for the United States, the construction of numerous nuclear power plants, coal-fired power plants, oil refineries, synthetic fuel plants, and other facilities will be required over the next two decades.

Again, action by the Congress is needed.

I urge Congress to approve my October, 1975 proposal to create an Energy Independence Authority, a new government corporation to assist private sector financing of new energy facilities.

This legislation will help assure that capital is available for the massive investment that must be made over the next few years in energy facilities, but will not

be forthcoming otherwise. The legislation also provides for expediting the regulatory process at the Federal level for critical energy projects.

I also urge Congressional action on legislation needed to authorize loan guarantees to aid in the construction of commercial facilities to produce synthetic fuels so that they may make a significant contribution by 1985.

Commercial facilities eligible for funding under this program include those for synthetic gas, coal liquefaction and oil shale, which are not now economically competitive. Management of this program would initially reside with the Energy Research and Development Administration but would be transferred to the proposed Energy Independence Authority.

My proposed energy facilities siting legislation and utility rate reform legislation, as well as the Electric Utilities Construction Incentives Act complete the legislation which would provide the incentives, assistance and new procedures needed to assure that facilities are available to provide additional domestic energy supplies.

Energy Development Impact Assistance

Some areas of the country will experience rapid growth and change because of the development of Federally-owned energy resources. We must provide special help to heavily impacted areas where this development will occur.

I urge the Congress to act quickly on my proposed new, comprehensive, Federal Energy Impact Assistance Act which was submitted to the Congress on February 4, 1976.

This legislation would establish a $1 billion program of financial assistance to areas affected by new Federal energy resource development over the next 15 years. It would provide loans, loan guarantees and planning grants for energy-related public facilities. Funds would be repaid from future energy development. Repayment of loans could be forgiven if development did not occur as expected.

This legislation is the only approach which assures that communities that need assistance will get it where it is needed, when it is needed.

Energy Conservation

The Nation has made major progress in reducing energy consumption in the last two years but greatly increased savings can yet be realized in all sectors.

I have directed that the Executive Branch continue a strong energy management program. This program has already reduced energy consumption by 24 percent in the past two years, saving the equivalent of over 250,000 barrels of oil per day.

We are moving to implement the conservation authorities of the new Energy Policy and Conservation Act, including those calling for State energy conservation programs, and labeling of appliances to provide consumers with energy efficiency information.

I have asked for a 63 percent increase in funding for energy conservation research and development in my 1977 budget.

If the Congress will provide needed legislation, we will make more progress. I urge the Congress to pass legislation to provide for thermal efficiency standards for new buildings, to enact my proposed $55 million weatherization assistance program for low-income and elderly persons, and to provide a 15 percent tax credit for energy conservation improvements in existing residential buildings. Together, these conservation proposals can save 450,000 barrels of oil per day by 1985.

International Energy Activities

We have also made significant progress in establishing an international energy policy. The U.S. and other major oil consuming nations have established a comprehensive long-term energy program through the International Energy Agency (IEA), committing ourselves to continuing cooperation to reduce dependence on imported oil. By reducing demand for imported oil, consuming nations can, over time, regain their influence over oil prices and end vulnerability to abrupt supply cut-offs and unilateral price increases.

The International Energy Agency has established a framework for cooperative efforts to accelerate the development of alternative energy sources. The Department of State, in cooperation with FEA, ERDA, and other Federal agencies, will continue to work closely with the IEA.

While domestic energy independence is an essential and attainable goal, we must recognize that this is an interdependent world. There is a link between economic growth and the availability of energy at reasonable prices. The U.S. will need some energy imports in the years ahead. Many of the other consuming nations will not be energy independent. Therefore, we must continue to search for solutions to the problems of both the world's energy producers and consumers.

The U.S. delegation to the new Energy Commission will pursue these solutions, including the U.S. proposal to create an International Energy Institute. This Institute will mobilize the technical and financial resources of the industrialized and oil producing countries to assist developing countries in meeting their energy problems.

1985 and Beyond

As our easily recoverable domestic fuel reserves are depleted, the need for advancing the technologies of nuclear energy, synthetic fuels, solar energy, and geothermal energy will become paramount to sustaining our energy achievements beyond 1985. I have therefore proposed an increase in the Federal budget for energy research and development from $2.2 billion in 1976 to $2.9 billion in the proposed 1977 budget. This 30 percent increase represents a major expansion of activities directed at accelerating programs for achieving long-term energy independence.

These funds are slated for increased work on nuclear fusion and fission power development, particularly for demonstrating the commercial viability of breeder reactors; new technology development for coal mining and coal use; enhanced recovery of oil from current reserves; advanced power conversion systems; solar and geothermal energy development; and conservation research and development.

It is only through greater research and development efforts today that we will be in a position beyond 1985 to supply a significant share of the free world's energy needs and technology.

Summary

I envision an energy future for the United States free of the threat of embargoes and arbitrary price increases by foreign governments. I see a world in which all nations strengthen their cooperative efforts to solve critical energy problems. I envision a major expansion in the production and use of coal, aggressive exploration for domestic oil and gas, a strong commitment to nuclear power, significant technological breakthroughs in harnessing the unlimited potential of solar energy and fusion power, and a strengthened conservation ethic in our use of energy.

I am convinced that the United States has the ability to achieve energy independence.

I urge the Congress to provide the needed legislative authority without further delay.

GERALD R. FORD

The White House,
February 26, 1976.

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Letter to the Speaker of the House and the President of the Senate on Withdrawing the Designation of Laos as a Beneficiary Developing Country for Purposes of the Generalized System of Preferences. *February 26, 1976*

IN ACCORDANCE with the requirements of section 502(a)(2) of the Trade Act of 1974, I herewith notify the House of Representatives/Senate of my intention to withdraw the designation of Laos as a beneficiary developing country for purposes of the Generalized System of Preferences by amending Executive Order No. 11888 of November 24, 1975.

The considerations which entered into my decision were based upon the provisions of section 504(b) and 502(b)(1) of the Trade Act. Section 504(b) of that Act states:

> "The President shall, after complying with the requirements of section 502 (a)(2), withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b). . . ."

Section 502(b)(1) states that:

> ". . . the President shall not designate any country a beneficiary developing country under this section—if such country is a Communist country, unless (A) the products of such country receive nondiscriminatory treatment, (B) such country is a contracting party to the General Agreement on Tariffs and Trade and a member of the International Monetary Fund, and (C) such country is not dominated or controlled by international communism. . . ."

As a result of changed circumstances, Laos would be barred from designation as a beneficiary developing country under section 502(b)(1), quoted above.

A diplomatic note is being prepared for delivery to the Government of Laos on or about the same date as that of the delivery of this letter, notifying that Government of my intention to terminate the country's beneficiary status, together with the considerations entering into my decision, as required by section 502(a)(2) of the Trade Act.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

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Remarks at a Reception for Members of the Republican National Committee. *February 26, 1976*

THANK YOU very, very much, Mary Louise. It is wonderful to see nothing but good Republicans in the White House. [*Laughter*]

Betty and I are very grateful that you all came, and we are most anxious that you relax and enjoy yourselves. We welcome you to this really wonderful place. Unfortunately, Betty is traveling. She likes to travel, and she just happened to pick a place at random called Florida for a few days. [*Laughter*] But she asked me to express to all of you her very warm welcome.

Let me take just a minute or two before we all go into the East Room for a reception, a few refreshments. There are three things that I think are vitally important that we all have to look at.

Number one, what are we doing to convince a substantial majority of 215 million Americans that they ought to vote for a Republican candidate and a Republican policy? I think we have a policy that we are working on, both at home and abroad, to convince a majority of the American people that they ought to vote for our policies and our candidate.

Number two, I think our policies ought to reflect what will make you enthusiastic to go out and support them in every State of the Union, and I think what we are trying to do, both at home and abroad, should give you that kind of enthusiasm.

Number three, the things we are seeking to do here in the White House ought to help you recruit the best candidates at the local and at the State level, the kind of candidates that will be proud to support us. And we will be proud to support them, because the party must have a broad elected basis of people at the local and the State, as well as the Federal level.

Now, let me take just a minute or two to tell you what we are doing. You are familiar with the circumstances better than a year ago. This country was facing some very difficult problems—inflation much too high, 12 to 14 percent; unemployment about to burgeon; employment about to go down.

But if we look at what has transpired in the last 12 months, we can be very optimistic that we have overcome the worst ravages of the worst recession since the Great Depression of the 1930's. We have cut inflation in half; employment is going up; unemployment is going down; capital goods expenditures are going

up; real personal earnings are increasing. There isn't a single indicator that isn't improving. The trends are all good.

And let me assure you we are going to continue to get good economic news, and the American people believe, I think, that a government that does this, not through quick fixes but through solid policies, those are the policies that are in the best interest of the United States.

Now, it is absolutely essential that if we are to enjoy the fruits and the benefits of a good economy, that we have to be strong enough to take care of the best interests of the United States. We have to be strong enough to deter aggression, to preserve the peace, and to protect our national interests.

The facts are that in the last 2 years, I have submitted to the Congress and to the American people the two largest defense budget requests in the history of the United States in peacetime. Those requested appropriations for the best military personnel, the strongest weapons, the best planning by the Army, Navy, Air Force, and Marines, will give us the capability to deter war and to preserve our national security.

This kind of a program should reassure our allies on a worldwide basis, and this kind of a program should invite cooperation from any party that we negotiate with. Let me assure you that this administration will stand tall and strong in seeking peace through strength.

Let me close with just this final comment: In the State of the Union Message, in the budget message, and in the economic report, we laid out some basic criteria, what we are trying to do.

We are seeking to get an appropriate balance in the following areas: We want a balance between those who pay the taxes and those who are the beneficiaries. We want a proper balance between the Federal Government and State and local units of government. We want a proper balance in the distribution of the necessary funding for the security of the country and for our necessary domestic programs. We want a proper balance for the freedom of 215 million Americans as they face the problems of government—freedom, peace, strength. They are all in our program, both at home and abroad.

With that kind of a program, we will be able to convince a majority of Americans on November 2 that our policies ought to continue. We will be able to get all of you enthusiastic as you go out and sell what has been done. And number three, we will recruit candidates; we will elect candidates, so they can help us in the years ahead. Thank you very, very much.

NOTE: The President spoke at 6:25 p.m. in the State Dining Room at the White House. In his opening remarks, he referred to Mary Louise Smith, Republican National Committee chairman.

143

Remarks Upon Receiving the Annual Report of the Council on Environmental Quality. *February 27, 1976*

LET ME say to you, Mr. Chairman, and to your colleagues on the Council on Environmental Quality, that I appreciate very much the fine job that has been done. And I am looking forward to an opportunity to read this and, hopefully, we can implement a good many of the recommendations, a good many of the suggestions that are included in here. And I thank you not only for the good job you have done but also the record that I think we have achieved in the last 5 years in trying to get real and very substantial progress in meeting the challenge of our deteriorating environment.

We have made a lot of progress. We have a long way to go, but I think we can improve it; we can balance it appropriately with our needs for energy and our needs for the other requirements for a better America.

I thank you very much.

RUSSELL W. PETERSON [Chairman, Council on Environmental Quality]. Thank you.

I think that it shows here that we are making good headway in cleaning up the air and the water. We have a way to go, as you know, but I think we are underway to reach the goals we have set out to reach. And your letter in here, I think, well illustrates the kind of philosophy we need to reach the goal.

THE PRESIDENT. Well, keep the pressure on, and we will make that kind of progress as we move ahead.

MR. PETERSON. Good.

THE PRESIDENT. Thank you very much, Mr. Chairman.

MR. PETERSON. Thank you.

NOTE: The President spoke at 12:04 p.m. in the Oval Office at the White House.

144

Message to the Congress Transmitting Annual Report of the Council on Environmental Quality. *February 27, 1976*

To the Congress of the United States:

It is a measure of our progress as a Nation that today, in the 200th year of American Independence, we are in the midst of a dynamic movement to restore,

protect and preserve our environment and, at the same time, make the most effective use of our natural resources—with the objective of providing a better life for ourselves and for our children and grandchildren.

This society has come a long way since the time when the daily struggle with climate and wilderness dominated our ancestors lives, challenged their spirit and energies, and shaped attitudes that served so well to forge a new Nation. We have learned that our past progress was often achieved without adequate regard for the longer term consequences to our air, water and land. Some have concluded from our past experiences that certain national objectives—such as a strong economy, an adequate supply of energy, and an improved environment—are in conflict and we must choose among them. Others are concluding—and I share their view—that we can make good progress toward all these objectives if our goals are realistic, our resolve is firm, and our steps are deliberate.

The Sixth Annual Report of the Council on Environmental Quality which I am forwarding to the Congress surveys our environmental accomplishments and indicates that we have made such progress indeed.

The Council's summary of environmental conditions and trends describes the encouraging results of our efforts to clean up the air and water. We are beginning to bring our most chronic sources of water pollution under control, and we are improving the quality of some of our most heavily polluted waterways. We have improved air quality significantly in the United States during the past five years.

The progress we have made so far is in large measure a reflection of the investment the Nation has made in cleaning up the environment. In 1975 government and industry spent more than $15 billion in capital and operating expenditures to meet the requirements of Federal pollution control legislation. The Federal Government alone has increased its pollution control outlays from $751 million in 1970 to an estimated $4.5 billion in the current fiscal year. Over the next ten years the Nation will spend more than $22 billion per year to meet Federal pollution control requirements.

We can be proud of the progress we have made in improving the Nation's environmental quality. Yet, we must meet additional challenges over the next few years. We must improve our understanding of the effects of pollutants and of the means and costs of reducing pollution. As we develop new energy sources and technologies we must assure that they meet environmental standards. We also must continue the job of cleaning up pollution from existing sources.

The Council has reviewed the environmental conditions of our coastal zone and on Federal public lands and describes the diverse purposes they serve and

the variety of ways in which our people can use and enjoy them. Because of the competing demands upon these areas, we will face a continuing challenge in assuring their best uses and in providing protection of their environmental values.

International activities over the past year have provided a helpful perspective for understanding the global scope of many environmental issues. Our community of nations is beginning to come to grips with this reality and, through the United Nations Earthwatch Program, is making a major attempt to monitor environmental conditions and trends throughout the world.

Our experience and our growing knowledge about the scientific, technical and economic aspects of environmental effects and controls has given us a basis for considering "mid-course corrections" in existing environmental laws. The attention now being given in the Congress and the Administration to a review of the requirements of the Clean Air Act and the Water Pollution Control Act are important examples of this new level of awareness.

In these and other efforts, we must set our goals carefully, pursue them vigorously, and maintain the balance among our national objectives. This is essential if we are to enjoy the continued public support for our environmental objectives that is necessary to future progress.

We have made an excellent start. I am confident we shall continue in this vital area.

GERALD R. FORD

The White House,
February 27, 1976.

NOTE: The message is printed in the report entitled "Environmental Quality: The Sixth Annual Report of the Council on Environmental Quality—December 1975" (Government Printing Office, 763 pp.).

145

Remarks Urging Congressional Action on Proposed Legislation To Reconstitute the Federal Election Commission.
February 27, 1976

ONE YEAR ago, the Federal Election Commission was set up because voters across the country wanted a strong watchdog to ensure that we have clean and honest elections.

Now, as a result of a Supreme Court decision and a delay in congressional action, the essential powers of that Commission are in jeopardy. Unless Congress

acts within the 20-day extension just granted by the Supreme Court, the Commission will no longer be able to enforce the campaign laws, advise candidates on what those laws mean, or certify candidates for Federal matching funds.

In short, the watchdog will have lost its teeth. We must not retreat from our commitment to clean elections.

When the Supreme Court acted on this matter, it made it clear that the Congress could remedy this problem by simply reconstituting the Commission. I supported the Court's view and asked that the Congress act swiftly to extend the life of the Commission.

Instead, various interests, both political and otherwise, both in and out of Congress, have chosen this moment to advance a wide range of hastily considered changes in the campaign laws. Most of the bills now being considered in the Congress would introduce great uncertainty in the campaign process.

With the 1976 elections only 9 months away, I do not believe this is the proper time to begin tampering with the campaign reform laws, and I will veto any bill that will create confusion and will invite further delay and litigation.

Certainly, no one is fully satisfied with the campaign laws now on the statute books. When the current political season is behind us, I ask the Congress to work with me in conducting a very thorough review and revision of those laws. But right now, the most pressing task is to reestablish the Federal Election Commission as quickly as possible.

I urge the Congress to put aside its debates and enact the bill that I have sent to the Congress to provide for an immediate and simple extension of the Commission. We must get on with the job of ensuring that the political process in 1976 will be just as fair, just as honest as we can make it.

NOTE: The President spoke at 2:23 p.m. in the Briefing Room at the White House.

146

Message to the Chairman of the District of Columbia City Council Disapproving a Shop-Book Rule Bill. *February 28, 1976*

[Dated February 27, 1976. Released February 28, 1976]

IN ACCORDANCE with the District of Columbia Self-Government and Governmental Reorganization Act, I disapprove Act 1–88, the District of Columbia Shop-Book Rule Act.

The Act would make documentary records of business transactions admissible as evidence in any civil or criminal judicial proceeding in the courts of the District of Columbia. This "shop-book rule" is substantially identical to the one adopted by the D.C. Superior Court which took effect on June 30, 1975.

The issue is whether the City Council was acting within its authority under the District of Columbia Self-Government and Governmental Reorganization Act (Home Rule Act) in passing a law affecting the judicial procedures of the D.C. courts. The Federal interest is whether the intent of Congress in delegating legislative authority to the Council under the Home Rule Act has been appropriately carried out in this instance.

I am advised by the Department of Justice that this "shop-book rule" is clearly in the nature of a procedural rule which could properly be encompassed within the rules of civil procedure and that promulgation of the rule is clearly within the express power of the District of Columbia courts to adopt rules of civil procedure and, as such, is beyond the power of the City Council.

Therefore, since the Council has exceeded its statutory authority in enacting this bill, I am disapproving Act 1-88.

GERALD R. FORD

The White House,
February 27, 1976.

147

Statement on Decisions Concerning Two Bills of the District of Columbia City Council. *February 28, 1976*

THE DISTRICT of Columbia Self-Government and Governmental Reorganization Act (the Home Rule Act) provides that acts of the D.C. Council which have been vetoed by the mayor and overridden by a two-thirds vote of the council shall be transmitted to the President for his review. The President shall then have 30 days in which to disapprove these acts or allow them to become law.

D.C. enrolled acts 1-87, relating to affirmative action in D.C. government employment, and 1-88, relating to the so-called shop-book rule of evidence, are the first such acts to be sent to the President for his review since the Home Rule Act was enacted.

If home rule for the District is to have real meaning, the integrity and responsibility of local government processes must be respected. The Federal Govern-

ment should intervene only where there is a clear and substantial Federal interest.

I have been advised by the Department of Justice that, in enacting Act 1–88, the D.C. Council exceeded the authority which the Congress had delegated to it under the Home Rule Act; therefore, I disapproved it. I have chosen not to disapprove Act 1–87, however, because while I have serious reservations about the merits of the act, I believe my disapproval of it would violate the sound precepts of home rule. The Federal interest involved here is not clear and substantial.

148

Remarks in Miami, Florida, at a Naturalization Ceremony for New American Citizens. *February 28, 1976*

Thank you very, very much, Judge Fay, distinguished members of the judiciary, my former colleagues and very good friends from the Congress, Congressman Pepper, Congressman Burke, and Congressman Frey, Reverend McCormick, newest citizens of our very great country, ladies and gentlemen:

Let me join Judge Fulton in congratulating and complimenting the fine singing group, The New Direction singers, for their meaningful and wonderful rendition of songs that mean so very much to all of us.

I am very proud and extremely honored to have the opportunity to participate in the proceedings which tell 1,121 eloquent stories of you—new Americans of many origins, who have today become citizens of the United States of America. You have demonstrated, as required by our laws, that you are attached to the principles of the Constitution of the United States and well disposed to good order and happiness of the United States.

As President, I am extremely proud to welcome you as Americans who now share our common bonds and our common glory. These proceedings are special, very unique, because every single one of you is giving the United States of America the finest Bicentennial gift that you could possibly bestow.

You offer to us yourselves, your love, your patriotism, your courage, your energy, your determination, and your ability. You are showing the world and all of your fellow citizens how much you believe in America. You have chosen United States citizenship in preference to that of any other nation in the world. You have chosen well, and I congratulate you from the bottom of my heart.

Just as there was no courtroom in Miami big enough to accommodate all

of you, there are no words expressive enough to tell what it means to be an American. America is easier to experience than to describe.

Too many Americans now take our national treasures for granted. These treasures are not great cities and material achievements, but the freedom and the dignity which American philosophy accords to every American citizen.

Although you have been citizens for only a very, very few minutes, you can teach us many things. You can explain the real meaning of America to those who see only bad in our Nation and only good in nations with other systems. You can tell those who take America for granted that millions of people in other lands as far away as 9,000 miles and as close as 90 miles would dearly love to have just a fraction of the freedom we have in America.

Many of you come from places where people are denied the right of free choice; from places where churches and synagogues are open, but only for tourists; from places where free elections are promised, but never held; from places where free speech exists only as a memory.

Let those of you who are now able to vote join fully in our self-governing society. The American ballot box is not only our right but our responsibility. You are now free to exercise all of the rights of free Americans. You also have all of the responsibilities that go with them.

To qualify for naturalization, you have shown an understanding, as required by law, of the fundamentals of history and the principles and form of government of the United States.

After 200 years, there is still something very, very wonderful about being an American. This continues to be the land of miracles. We continue to change, to grow, to improve ourselves, to solve economic problems and employment problems, and to believe that there is no problem that Americans cannot and will not solve.

The United States of America remains the one nation which more than any other in the world symbolizes man's quest for political freedom, religious liberty, and economic prosperity.

Our 200-year-old Republic is kept free by the moral strength and faith of our people and by the infusion of new strength and new faith which you, our newest citizens, give us today. A nation of immigrants, we have thrived on constant renewal by many peoples who bring us their very best. Americans have given millions and millions a home, but we, in return, welcome and are enriched by the many special qualities that have made our Nation unique.

I am proud to have supported—as I am sure my former colleagues in the House did likewise—the legislation that permitted the naturalization of some

65,000 new Americans in Florida since 1970. And I am prouder still to be here on this inspiring occasion when so many people from so many lands entered this auditorium as so-called petitioners for naturalization, but will go home as citizens of the United States of America.

You will realize as you walk out of your court session in your auditorium onto your streets, that your President is actually your employee. In America, every citizen in a very, very real way is the boss. We have 215 million bosses, because the President has to answer to every citizen.

Today, I want to answer the concerns of some of the local residents who are not yet citizens, but who want very desperately to be one. It is a fitting Bicentennial objective to help newcomers to become naturalized. Too often this objective is frustrated by redtape and procedures that create a backlog of applicants when there should be more frequent celebration of new citizenship.

Accordingly, I am directing the Attorney General to place a high priority on reducing that backlog. I am asking the Attorney General to transfer 10 additional Immigration and Naturalization Service examiners to Miami within the next 2 weeks to deal with this very high priority situation.

There are about 71,000 Cuban refugees—35,000 of them in this immediate area—who are technically eligible for permanent resident-alien status, but they must wait too long for their turn under the immigration quota system. I will speed up that process.

I am directing the Attorney General to take all possible administrative actions and, if necessary, to seek additional legislation to assure that Cuban refugees can be awarded premanent resident status without being delayed by the immigration quota system. We are dealing with human lives which have already suffered enough disruption. America will remain true to our heritage as a sanctuary to the oppressed.

Just as American citizenship involves responsibility as well as rights for the individual, the nations of the world must live up to their international responsibilities if they wish to be treated as members of the world community. The Fidel Castro regime of Cuba, by sending an expeditionary force of 12,000 soldiers to intervene in a civil war in Angola is acting as an international outlaw.

Fidel Castro has committed a flagrant act of aggression. We are firmly committed to the principles of nonintervention and collective security against the aggression in this hemisphere. By its aggression, the present government in Cuba has violated a fundamental principle of international law, a principle enshrined in the United Nations Charter. This administration will have nothing to do with the Cuba of Fidel Castro. It is a regime of aggression, and I solemnly

warn Fidel Castro against any temptation to armed intervention in the Western Hemisphere. Let his regime or any like-minded government be assured that the United States would take the appropriate measures.

With continued peace, this hemisphere faces a new era of opportunity. The spirit of hemispheric friendship is strong. I can foresee new economic progress, greater cooperation, and expanded trade. As the great gateway to Latin America, Florida will reflect the growth with more jobs and more opportunities.

As America enters its third century we look inward as well as outward. To be strong externally, we must be strong internally. Our strength is based upon the freedom of the individual. To keep the individual free, we place a premium on creativity and individuality. Together we challenge the massive conformity of the modern world. Americans are determined to control institutions and not be controlled by them.

I believe in a country where the people rule and the government responds. I believe, as you do, in America. America builds unity from diversity and makes advantage out of adversity. That is why today's proceedings are so much a part of the finest American process.

A refugee child who landed on a fishing boat 10 years ago, is today a medical student. Another who fled because authorities in his homeland permitted no arguments, today argues cases in a Miami court as an attorney. Yet another who arrived with an empty stomach now runs a fine restaurant. Such events are a tribute not only to America but to the new Americans that we honor today.

For you, I see a future full of great hope, and I am dedicated to the good life available to all of our people under a free government that checks and balances its own excesses. I am dedicated to the opportunity and the soundness of our dollar under a free economic system that corrects its own errors, and I am convinced of the courage, the capacities, and the constructive cooperation of free citizens in all our land.

Let us continue to be a nation of hope. Americans believe in the future because of what we have achieved in the past. Our resources are rich, our genius unchallenged, our freedom unequaled, and our opportunities unlimited.

Our fate is in our own hands, and I know, therefore, that our fate is in good hands. America remains, in the words of Abraham Lincoln, the last, best hope of Earth.

Thank you very much.

NOTE: The President spoke at 10:28 a.m. in the Dade County Auditorium. In his opening remarks, he referred to Judge Peter T. Fay and Chief Judge Charles B. Fulton of the United States District Court for the Southern District of Florida and Rev. George McCormick, Jr., dean of the Episcopal Cathedral in Miami.

149

Remarks at a President Ford Committee Business Leaders Reception in Miami. *February 28, 1976*

Thank you Mr. Fogarty and Mr. Welstad and all of you for coming here on this occasion. Betty—she's almost a Floridian. [*Laughter*]

We can't express adequately our appreciation for all that has been done, all that you will do between now and March 9. I think we have the momentum going and for the right reasons, the right reasons being the programs that we have put into effect over the last 19 months, both domestically and internationally, are paying off.

I couldn't help but notice in one of the Miami papers this morning, a big headline to the effect, the economic picture brightens considerably—or just what it said. But it was all plus, and it should be because we are on the track of a real burgeoning, healthy, strong, sound economy, and it's because of our party.

As some of my good friends from the traveling press know, we didn't plan it this way. Every Friday we seem to have good news. It gets better and better in the economic picture, and I think you will find that to be the case as we move forward because the policies are right. We are not going to try and spend our way out of the recession. We are going to make sure what we do has lasting impact.

In the international field, let me make one very firm comment. The United States is never going to be second to anyone, period. We have an outstanding Department of Defense. They are alert, they are well trained, they are well equipped, they are well led, and I can assure you that we are going to give them maximum support so that our friends around the world are reassured and will stay with us, so that any potential adversaries will listen. And I can assure you in that way of peace through strength, we can enjoy all the great blessings, all the wonderful things that should and will come to us in America.

It's the way our forefathers did it, and it's the way we are going to do it. I appreciate your help. Get as many votes as you can, and if you do, we will be on our way to a victory on November 2.

I guess Betty has been speaking all week. Do you want to say something?

MRS. FORD. No, I don't have to say anything else.

THE PRESIDENT. I do want to just add one thing. Through the good auspices of the Federal courts here and, particularly, Judge Fay,[1] we had just a superb meeting this morning. There were 1,121 new American citizens. They are

[1] Judge Peter T. Fay of the United States District Court for the Southern District of Florida.

enthusiastic. They look just forward to the opportunity to be a participant in this great experience that we have had for 200 years. How fortunate we are to have them and how much they are going to contribute to a better America.

Thank you.

NOTE: The President spoke at 11:33 a.m. in Salon A at the Marriott Motor Hotel. In his opening remarks, he referred to Joseph F. Fogarty, Jr., chairman of the board of American Marine Underwriters, and Thomas A. Welstad, owner of Americable, a cable television service in Homestead, Fla.

150

Exchange With Reporters on Arrival at West Palm Beach, Florida. *February 28, 1976*

WE WERE in Florida about 2 weeks ago. I want to thank Lou Frey, Skip Bafalis, Herb Burke, Bill Young, and all of the other people who have done superior jobs.

I am very optimistic. We have the momentum going. In New Hampshire, we came from behind and won, and I think we are going to do the same thing here in Florida.

I am confident we will do extremely well in Illinois. The momentum is going because of a lot of fine people who have cooperated, volunteered—telephone callers, walkers—it is just a great organization and a fine effort. It is real nice to be here and to see you. This is not a typical day in Florida.

REPORTER. Mr. President, if you win here in Florida, do you think Ronald Reagan is finished in the campaign?

THE PRESIDENT. I think that is up to him to decide.

Q. Do you think there is a place for him possibly on your ticket?

THE PRESIDENT. We have a wealth of excellent Republican talent for Vice President. I have said it is conceivable that he, of course, could be on the ticket, but we have a wide variety of Federal officials, State officials—the Republican Party has a great group of younger people coming along. So, we don't have to worry about one, we have many.

Q. Mr. President, you said he is too far to the right to be elected President. Do you think he is too far to the right to be elected Vice President?

THE PRESIDENT. I think you have to read my words very carefully. I said I was in the middle, and anybody to the left couldn't make it. And I put it again on that basis. I am in the middle, and all or most of the others are on the right or the left.

Q. Mr. President, is Ronald Reagan too old to be Vice President? You said there were younger men coming along.

THE PRESIDENT. Well, I think we have a wealth of talent, young and old, and we have a lot of people with great capabilities. Our convention is not going to have any trouble picking a first-class Vice President.

Q. What kind of Republican victory do you expect you will have in Kansas City?

THE PRESIDENT. I think we will do very well in Kansas City. I can't pass judgment on whether somebody else is going to be there. We will be there, and we are going to win.

Q. How big do you expect to win in Florida?

THE PRESIDENT. I don't make any predictions on numbers. I think some who have been on the other side of the fence have picked numbers. Somebody told me we gained 12 percentage points in the last 3 or 4 days. I think that is indicative of how well we are doing. The momentum is going, and we are going to do extremely well.

Q. Mr. President, did you think you would be coming from behind in Florida?

THE PRESIDENT. I am just going by the opponents' statistics and by their own admission, we have gained 12 points in the last several days. That's plenty of momentum in a political arena.

Thank you all very much. It's great to be here.

NOTE: The exchange began at 12:45 p.m. at Palm Beach International Airport. In his opening remarks, the President referred to Representatives Louis Frey, Jr., chairman of the Florida President Ford Committee, L. A. (Skip) Bafalis, J. Herbert Burke, and C. W. Bill Young.

151

Remarks in West Palm Beach, Florida. *February 28, 1976*

LET ME thank every one of you—let me thank young folk, the middle-aged people, and the older folks, every one of you—for being here and giving me such a warm and gracious and generous welcome. I just can't express my gratitude sufficiently.

The only way that I can repay you for all that you have done, all that you will do, is to do the very best job I can for all Americans.

Let me take just a minute or two to give you some thoughts that I think reflect what is good for America. That is what we are all interested in.

I have one ideal, and that ideal is freedom for America. It is freedom from

inflation, freedom from unemployment. It is freedom from an oppressive, irresponsible, inconsiderate government. It is freedom from the fear of war, and it is great power for peace and a good healthy economy.

Let me now take a minute and say in a few words what I think all of us—Democrats, Republicans, Independents, or otherwise—ought to be thinking about. We want an America that gives to everybody not only freedom but the responsibility that goes with freedom. We want a country where government is responsive to you, each and every one of you. We want an opportunity for a job for everybody that wants to work. We want an economy that is free from the ravages of inflation. And we want a Defense Department that is strong enough to make certain, to make sure, that this country deters war and is strong enough to protect us against any aggression.

Listen very closely. Just outside that Oval Office in the West Wing of the White House there is a painting showing the signers of the Declaration of Independence. If you look at that picture most carefully, you will find that some of the faces in that picture are not clearly drawn out, are not identifiable. And people come into the Oval Office, and as I walk out with them, oftentimes they will stop and look at that picture and they will say, "Why isn't that individual identifiable? Why hasn't his face been clearly drawn?"

Let me tell you the answer. I think that the portrait painter decided that those men who signed the Declaration of Independence weren't the only people who were going to make America free and strong. They knew they had that great belief and feeling that there would be millions and millions of other people who would come along and would continue the struggle for freedom, and that they were only a small part of it.

What I am really saying is, as I look across this great crowd, see some people I know and some I want to get to know, I know that everybody in this crowd here this afternoon wants to be a part of that crusade for freedom in the United States of America.

That freedom means, as I said at the outset, freedom from unemployment, inflation, freedom from a government that doesn't take into consideration your legitimate needs and wants, freedom from the fear of war, but most of all a freedom of the soul and the heart, a freedom to pray and to speak and to write as only people can do in a free country.

Now let me close with this final comment. I was in Florida several weeks ago. I have been here many, many times because I love Florida, but in the trip that was several weeks ago, the momentum for a great, great success on March 9 was obvious. And we are down here today and tomorrow to ask for the help of all of

you who believe in the principles that I have talked about and believe that I am the best person to succeed in achieving those high objectives.

I thank you very much. It is a great kick-off in West Palm Beach; it is a great kick-off for this side of Florida; it is a great kick-off for a victory on March 9 and, more importantly, a victory on November 2, 1976.

Than you very much.

NOTE: The President spoke at 1:10 p.m. at the West Palm Beach Mall.

152

Remarks in Lake Worth, Florida. *February 28, 1976*

LET ME express as enthusiastically as I can my great appreciation for all of you wonderful people coming out in the fine, fine weather you always have here in Florida. [*Laughter*]

But, you know, to have this many people come and say hello and express their best wishes to indicate their support makes up for all of the little raindrops that might have dropped on the way down here.

Mr. Mayor and members of the City Council and all the wonderful people of Lake Worth, I do want to take a minute. This country is based on freedom—freedom from government oppression, freedom from fear of war, freedom of a healthy, strong, burgeoning economy. That is what we want in America, and we are going to get it with the help and assistance of wonderful people like you have right here in Lake Worth.

I don't know what you are going to do the rest of the afternoon, but I can tell you I am looking forward to seeing all of the other wonderful people from Florida, just like you. And I thank you from the bottom of my heart for your warm welcome, your enthusiastic reception.

Mr. Mayor and all of you who are here, I just will never forget this experience in Lake Worth. I thank you.

Good luck and God bless you.

NOTE: The President spoke at 2:37 p.m. at the Lake Worth City Hall.

153

Remarks in Lantana, Florida. *February 28, 1976*

Mr. Mayor, Jim [Kenneth] Seaquist, and all of you wonderful people of Lantana, and a few out-of-towners from Illinois and Michigan and someplace else:

It is just great to be here. I like the weather. [*Laughter*] I like the people a heck of a lot more. Let me take just a minute.

We in this country have a great opportunity to move ahead both at home and abroad. We have to have an ideal, we have to have something to look down the road with some dignity, some imagination. I would like to say that ideal is freedom—freedom to have a society where your rights are protected, protected against an oppressive government, freedom to do and move and say and write as you want to.

I think freedom is an ideal that we want—freedom against economic difficulties, freedom against the fear of war. Freedom is something that people cherish all over the world. And we are the one country in this whole globe that has more freedom than any place else, any place else, and we should be thankful.

But in the process of having freedom, it means you have to do something to protect it, to save it, to expand it, to make it more available for more people. I have great faith that 215 million Americans—those in Lantana, Lake Worth, and elsewhere—are going to stand tall and strong and keep moving forward to protect what we have but to help other people too.

I have to say goodby now, and I hate to leave Lantana, but let me add, if I might, as I have shaken many hands and looked in many eyes and heard from many people right on this street, I have a feeling that I have a friend or two here.

I think friendship is the greatest thing, and may I ask for your help and support on March 9? I would appreciate it, and I won't let you down. We will stand tall and strong throughout the world, and we will build a better and better America, and your help and support will be most appreciated.

Thank you very, very much.

NOTE: The President spoke at 2:59 p.m. at the Lantana Bicentennial Park. In his opening remarks, he referred to Kenneth Seaquist, designer of the floral and plant arrangements and the monument that was installed in the park.

154

Remarks in Ocean Ridge, Florida. *February 28, 1976*

THANK YOU very much, Mr. Mayor, and all you wonderful permanent and transient residents of Ocean Ridge. It is great to have an opportunity to stop here for just a few minutes, shake hands, and see really some old and very dear friends of mine, and have an opportunity of making some new acquaintances.

I love the weather, but I like the people a lot more. I don't think that I ought to make a long political speech, and I know darn well you don't want me to. I think my record is clear, whether within the Congress or in the last 19 months as President.

We took on some tough jobs, whether at home or abroad, in a year a half, and the net result is we went through a very traumatic experience, and we are on the way up. The economy is getting better. Our situation worldwide is good. And so every one of us, young and old, should be darned proud of the United States, our country.

And I pledge to you that what we have tried to do for the last 19 months we will continue to do. It means freedom in its broadest context, freedom from the difficulties of any problems at home, freedom from any problems abroad.

With your help on March 9, and then your help on November 2, we can really go to town.

Thank you very, very much.

NOTE: The President spoke at 3:25 p.m. at the Ocean Ridge Town Hall.

155

Remarks in Boynton Beach, Florida. *February 28, 1976*

THANK YOU very, very much, Mr. Mayor and all of the wonderful people of Boynton Beach. Can I come back again?

It is just delightful to be here in this good weather but, more importantly, with all you good people, that is the best part of it. Thank you very, very much.

Now let me make one or two comments. The mere fact that all of you are here shows your chief interest and concern in what is good for America, and I thank you and congratulate you. What you should do is take that same enthusiasm and make certain that it is used to make a better America here at home and a stronger America abroad.

We are all proud of what has been done by America. We have had our troubles the last 19 months since I have been President. We had inflation that was too high, unemployment that was too high, difficulties of one kind or another here at home. But, believe me, all the news is good, and it is going to get better.

And let me say that as I travel—not only here but abroad—I find that people respect America because we are free, because we are strong, because we are humane, because we are going to do things to help people have the same blessings, the same opportunities that we have.

We must stop aggression, we must be strong to make people respect us, our friends as well as our adversaries. I can assure you that this country is going to be strong at home and strong abroad for all of our betterment.

Now let me thank you for your coming out and wishing me well. May I ask a favor of you? I need your help March 9, and I hope and trust that what I have tried to do for the benefit of our country and 215 million Americans justifies your faith and your support. I would appreciate it very much. I can promise you that we will work at the job, and we will make a better and better America in the days ahead, with your support.

Thank you very, very much.

NOTE: The President spoke at 3:36 p.m. at the Sunshine Square Shopping Center.

156

Remarks in Briney Breezes, Florida. *February 28, 1976*

Mr. Mayor and all of the wonderful people here at Briney Breezes:

We have made about 10 stops since we arrived in Florida this morning, and it seems like every one of them gets more enthusiastic and more—you know just warm, and the welcome and the weather is getting better, too. [*Laughter*]

What I really appreciate is the friendliness—the indication of understanding and support. And it's great to see people from Cedar Springs, my old "red flannel town," and Kent City. They are all wonderful people. But I ran into about five people who said they were from New Hampshire. And every one of them said they voted for me, and I appreciate it very much.

I think they made a good investment because what we are trying to do, to be serious for a minute, is to take this country out of the problems we have had for the last 19 months, and we have had them at home—you know as well as I. But by doing the right thing and staying a steady course, being tough with the Congress and doing what is right, America is on the right path again.

And let me assure you that we are going to have a strong, firm, wise policy in meeting our adversaries abroad, in strenthening our relations with our friends. Freedom is dependent upon the strength of America, and the United States is going to be second to none in strength in dealing with either friends or adversaries.

Well I can't shake hands with everybody, but I will do it figuratively, if not literally. I appreciate every one of you coming out here. It has been a great experience, a wonderful opportunity for me to see some old friends and make some new acquaintances.

As I close, I would like to ask something of you. I hope what we have done to keep America strong at home and strong abroad has met with your approval. If it has, I ask that you help me on March 9. After we win on March 9, we are going to win in November—November 2.

Thank you very, very much.

NOTE: The President spoke at 4:07 p.m. at the Briney Breezes Town Offices.

157

Remarks in Del Ray Beach, Florida. *February 28, 1976*

GEE, IT is nice to be here in Del Ray Beach. The weather has gotten better, the crowds have gotten bigger, and all of you are so warm and friendly, and I can't thank you enough for just being nice. And I appreciate it very, very much.

Let me take a minute or two to talk to the older people, the younger people, and some my age. [*Laughter*] All of us have a great stake in keeping America strong, both at home and abroad, and let me tell you we are going to keep it strong here as well as abroad.

But we have it do it not with some quick fix. We can't do it by spending all the money that we can borrow. We have to do it by running this country responsibly, constructively, and with good commonsense.

We have had too many patent medicine proposals that all of you know don't work. In the last 19 months, we have had some difficulties. We have had high unemployment, terribly high inflation. We have had some challenges from abroad. But I think we can say in good conscience that we have made very substantial headway in meeting the difficulties of inflation. It is half now what it was 19 months ago. We have gone through a tough recession. Unemployment is going down, employment is going up, retail sales, personal income, you name

it, everything looks good. But it is not good enough, and we are going to make it better with your help.

America has a great responsibility to keep it in the leadership that it has worldwide. We have a responsibility to deter aggression, to maintain peace, and to protect our national security. The only way we can do that is to have a sufficiently strong military capability so that our allies respect us and our adversaries know they hadn't better fool around.

Right now, America is strong, and we are going to keep it that way. Let me assure you that with your help on March 9, your help on November 2, we will keep it that way in the next administration. What looks good today will be far, far better in 1977, 1978, 1979, and 1980.

I thank you for coming. I promise you to do the very best I can. It has been good, it will get better, and with your help we can have a great administration for the next 4 years.

Thank you very, very much.

NOTE: The President spoke at 4:25 p.m. at the Del Ray Beach Park.

158

Remarks in Highland, Florida. *February 28, 1976*

Mr. Mayor and all of you wonderful people of Highland Beach:

Gee, I see some wonderful signs and I see some wonderful people, and I just met an old and very good friend of mine, Russ Fuog, who lives here now, I guess. He used to push me around on the football field up at Ann Arbor all the time. [*Laughter*]

Let me say this is a great stop. We have been, I think 12 places since we arrived early this morning, and every place the welcome seems to get better, and the weather has improved. [*Laughter*] Maybe that is a special blessing you all have here in Highland Beach. But let me express my deep gratitude for all you coming, being here, and being so friendly and so nice.

But let me take just a minute with a group, such as yourself. Nineteen months ago when I became President, this country was faced with some very difficult problems. There was some disillusionment about Washington, D.C. Inflation was 12 to 14 percent per year. We were on the brink of the worst recession since the end of World War II. Our friends abroad had some questions about whether we were going to stick to the course and our adversaries were probably tempted to challenge us because of the experiences that we had had.

In the last 19 months, the strength of the American people has come through loud and clear. In the last 19 months, the strength of our Government has also shown itself beyond any doubt whatsoever.

Where are we today? I think the American people have more faith and trust in their leadership. I think the American people know that we have licked, to a very substantial degree, many of our economic problems. Inflation is half of what it was; unemployment is going down; employment is going up; personal income is increasing; and, yes, the stock market isn't doing too badly.

But the main thing that I find is that whether it is in New Hampshire—with some great voters up there who were very kind to me—or in Florida where a trip 2 weeks ago was just unbelievably friendly and kind and the one today just as good, I believe that we are on our way in this country.

We have the right policies both at home and abroad. We are not going to come up with some quick fixes. We are going to do what is right. We are going to show some commonsense and some realism. That is what has taken us out of our trouble, and that is what is going to make us better in the months ahead.

If we tried to do everything the way some people suggest—there are some people that want to have us try a new patent medicine about every week—they don't work. What we have done has worked. The net result is our friends abroad respect us. Our friends abroad are with us, and most of all, our adversaries know, because we are strong, they won't fool around with us. And we are going to stay strong.

I would like a special favor, if I could. We have an election here on March 9. I would appreciate your support. And after that convention out in Kansas City, I would be very grateful for your support on November 2.

Thank you very, very much.

NOTE: The President spoke at 4:53 p.m. at the Seagate Highlands Condominiums.

159

Remarks and a Question-and-Answer Session With Reporters in Boca Raton, Florida. *February 28, 1976*

AS I said, it is delightful to be here in the Spanish Gardens at Boca Raton with my good friend Herb Burke. I think we have had a very, very successful day. It exceeds our expectations despite the slight inclement weather. The crowds have been tremendous. The reception has been warm, and I think we have momentum that is just going to move and move and move and all to the good.

Now, I will be glad to answer any questions.

REPORTER. Mr. President, looking ahead to the March 9 primary here in Florida, who do you see as the Democrat to watch? Who do you feel is going to be the one? Who is the most serious threat in the Democratic Party?

THE PRESIDENT. I really haven't paid much attention to it. I have said repeatedly, and I see no reason to change, that my good friend, Hubert Humphrey, will probably be the nominee. Everybody else is in a horse race, and he will come from behind and take over, and they are just wasting a lot of time.

Q. To follow that up, sir, you said that the other day as well. And that seems to suggest, since he wasn't in New Hampshire, and an unauthorized write-in campaign for him sort of fizzled up there, that the New Hampshire Democratic primary didn't amount to much. Why are you so satisfied with your victory in the Republican primary there?

THE PRESIDENT. As I recall, Hubert got 6 percent of the vote, and I got 51 percent. There is quite a difference.

Q. Mr. President, do you have any reason to believe that Castro is going to intervene anywhere as a result of what you have said?

THE PRESIDENT. No, but I think it is very appropriate for me to have said what I said, and I meant it very literally.

Q. Mr. President, I am sorry, I didn't hear Helen's [Helen Thomas, United Press International] question, but if it had to do with Cuba, I wanted to ask you about Cuba also, and that is, down the road, if Fidel Castro does pull his troops out of Africa, isn't it going to be necessary for us to try to get along with Cuba as we try to get along with China and the Soviet Union?

THE PRESIDENT. I don't think we ought to speculate. Naturally, I think it would be very wise for them to withdraw their troops from Angola, and any other parts of Africa, but what happens after that, I won't speculate at this time.

Q. Mr. President, what are these measures that you said—the appropriate measures that you viewed as taking against Cuba? After all, measures didn't stop Cuba in Angola.

THE PRESIDENT. It could have if the Congress had been willing to appropriate the necessary money and give us the necessary authority.

Q. Do you think Congress is any more likely to go along with any further measures you recommended?

THE PRESIDENT. I would hope so because, you know, once they make a mistake, I hope they won't repeat it.

Q. Mr. President, where did you get the 12 percentage margin that you had gained?

THE PRESIDENT. Helen asked me where this increase in our percentage vote came to the extent of 12 percent. As I understood it, my opponent's campaign manager a few weeks ago was saying that they were going to win 2 to 1, which is 66 to 67 percent. I understand he has now adjusted it downward to 55 percent, so if my mathematics is good, old or new, I think it's 12 percent. [*Laughter*] So, we have picked up that many percentage points in a pretty quick hurry.

Q. Mr. President, the party for Reagan has said that if it goes for Mr. Reagan here in Florida, it might be the end of you. How do you feel about this?

THE PRESIDENT. That is a very ridiculous and certainly not an accurate statement. I have said repeatedly I am entering every one of the 31 primaries. I regret that others have not done so. They pick and choose the ones they want to participate in.

We are going to win, and I think we will not only win the 31, we have a good start. I haven't lost an election out of Michigan, and I have won some in Michigan, so I just think we are going to keep the momentum going. And I see nothing that would change under any circumstances the prospects of our winning in Kansas City and being successful in November.

Q. Mr. President, if Governor Wallace does not get the Democratic nomination, do you expect him to run on a third-party ticket against you?

THE PRESIDENT. I would have no way of knowing.

Q. If he does, do you think that would hurt you?

THE PRESIDENT. Since I don't think it is going to happen, from what I read, not what I know, I don't think it will have any impact whatsoever.

Q. Mr. President, if Governor Reagan is so unqualified for the Presidency, why would you accept him as a Vice President? Doesn't this kind of downgrade the Vice-Presidency? So many Vice Presidents have become Presidents, as you know.

THE PRESIDENT. I haven't said anything other than that it was conceivable that he might be on the ticket. I haven't made that decision.

Q. Mr. President, you talked a lot about momentum. Can you tell us exactly what it is, where you find the momentum, where you see it?

THE PRESIDENT. We got quite a bit of momentum, Ann [Ann Compton, American Broadcasting Corporation], up in New Hampshire, because they expected to win. I read in some columns and I read elsewhere a week or two before the campaign in New Hampshire, they expected to win by 8 percent of the vote. They lost 10 percent almost overnight. I think that is an indication of momentum, and anybody who was down here on the trip in Florida 2 weeks ago and anybody who has been here today, I can't believe doesn't see good

crowds and intense feelings, strong indications of support. And we get the same result in polls that are taken elsewhere. We have the momentum going by any standard that you use, and when you have it, the opposition just can't stop it.

Q. Mr. President, do you consider yourself the underdog in the Florida primary right now?

THE PRESIDENT. I think we are going to win, so I am not the underdog.

Q. As of now you are ahead?

THE PRESIDENT. In my opinion.

Q. Mr. President, how crucial is Florida for you?

THE PRESIDENT. Every State is important.

Q. Have you considered the possibility of Reagan beating you in the Florida primary, and what would you do?

THE PRESIDENT. Since I expect to win, we only look for what we can do to make certain that that takes place. I haven't considered any other option.

Q. Mr. President, to go back to the African situation for a minute, Secretary Kissinger says that we must take every necessary measure to prevent the same kind of thing happening in Rhodesia—civil war, guerrilla warfare, intervention—that happened in Angola. Will you ask Congress for money or any other measures in Rhodesia?

THE PRESIDENT. I am not familiar with any statement that Secretary Kissinger made as precise as you have indicated. So, since I don't know of such a statement being made, I don't think I should comment on it.

Q. Mr. President, there has been a lot of the Presidential candidates, particularly in the Democratic ranks, who showed up on lists as getting illegal contributions from oil companies. I know your name showed up, I think it was on the Ashland list, for $1,000 or more. Could you tell us what you did with that money? Did you know it was an illegal campaign contribution?

THE PRESIDENT. All of that was reported to the Senate committee that investigated my qualifications for the Vice-Presidency. It was answered fully on the record. I suggest you go back and look at the record.

Q. Mr. President, Governor Reagan described his showing in New Hampshire as a victory. What would your definition for defeat be for you in Florida, less than 50 percent?

THE PRESIDENT. I don't think any political race where you finish second does much good for you. And since I don't expect to finish second, I don't consider any other options.

Q. Mr. President, you have suggested that Hubert Humphrey would probably be the nominee of the Democratic Party. I am wondering—two questions—first,

why do you think he will be the nominee? And, secondly, every time you get a chance to mention that name, it would suggest you would kind of like to run against Hubert. Do you think he would be easy to beat?

THE PRESIDENT. I think we are going to win in November. And it's just a matter of judgment on my part, Wally [Walter Rodgers, Associated Press], that I think when you look at the 11 Democratic candidates and Hubert, who makes the 12th unannounced candidate, I just think he is going to end up getting the nomination.

Q. Why?

THE PRESIDENT. I will sit down and take a little time with you some time, Wally.

Q. Mr. President, for the last two weekends, we have heard you attack Ronald Reagan, and rather harshly today——

THE PRESIDENT. I have not attacked him today at all.

Q. That is right. That's my question. Why not this weekend, sir? Your pace seems to be a little different.

THE PRESIDENT. In the first place, I think your basic premise is not entirely correct. As I recall, last weekend, the last time I was campaigning, I didn't mention any individual's name, but if you wanted to construe that without the name being mentioned, of course, that is literary license. [*Laughter*]

Now what we are trying to do is to point out to all these fine people in Florida that we have a good program both at home and abroad. We have the momentum going. It is the kind of a program that we think is good for America in the next term, and we aren't really concerned about what other candidates are doing or saying at the present time. We will sell our program affirmatively, and I think we have done quite well.

Q. Mr. President, if you win here and if you win in Illinois, do you think Governor Reagan should withdraw rather than carrying it on to the convention, seeing it is three in a row?

THE PRESIDENT. I really don't think I should give any advice. That is a matter of judgment for himself, and I think it would be presumptuous for me to involve myself.

Q. Would you consider him less of a threat if that were to happen?

THE PRESIDENT. It would mean that we would have, what, three more States, and those delegate numbers add up pretty fast, Ann.

Q. Mr. President, could you announce the qualities that you would like to see in the man you choose as Vice President?

THE PRESIDENT. I don't think at this point I am ready to sit down and define

with definiteness the qualifications. I made one selection. I think he has been a first-class Vice President and he has been a loyal and dedicated partner as far as I am concerned. But I think we have to analyze tht situation as we get closer to the convention in Kansas City and, at that time, we will be prepared to make a specific recommendation.

Thank you all very much, and have a good day and a good night.

REPORTER. Thank you.

[*At this point, the President crossed the park to speak to a group of Girl Scouts. Following his remarks to the Girl Scouts, the question-and-answer session with reporters continued.*]

Q. Can you tell us what the impact of this motorcade will be on the Florida primaries?

THE PRESIDENT. I think it will be very much a plus. I have met so many people. The crowds have been enthusiastic. I have seen a number of old friends. It has been very interesting. So, I am very encouraged because I know these people coming down here are here on my behalf.

Q. From Washington?

THE PRESIDENT. And Michigan, all over. That really helps. That surely will be helpful in getting the vote out, getting other people to be convinced.

Q. Do you think something like this would swing the balance or the difference in a close race, something similar to the race in New Hampshire?

THE PRESIDENT. Very definitely.

Q. On the plane down here, I understand, according to UPI, you said that your campaign here was good and they thought you would carry Florida. Is this based on any new polls that you have? Because you also spoke very optimistically on the airplane.

THE PRESIDENT. I am very optimistic. Everything we see—the crowds, the enthusiasm, the organization, leadership—all of it is very much on the plus side, so I am convinced with the momentum we have generated in New Hampshire and all of the other factors, I think we are going to win. We are working very hard, and I am absolutely convinced that things are going precisely in the right direction, and we are going to win.

Q. You have spoken of being up about 12 percent, I believe, at the airport. Is this based on any polls? Do you have any hard facts on this?

THE PRESIDENT. As I understand, the campaign manager for my opponent a month or two ago said that he was going to win 2 to 1, and that is 67 percent. I understand yesterday he said they were going to win by 55 percent, so that is a

12-percent gain almost overnight. And if we just keep that momentum going, it's bound to be in the right direction.

Q. Do you see the Florida primary being as close as New Hampshire?

THE PRESIDENT. I will predict it the way we did in New Hampshire, that we are going to win. I am optimistic and very encouraged.

REPORTER. Thank you.

NOTE: The President spoke at 5:20 p.m. at the Spanish River Park. In his opening remarks, he referred to Representative J. Herbert Burke.

160

Remarks in Boca Raton, Florida. *February 28, 1976*

MAYOR MARSHALL, I want to thank you, of course, for this warm welcome. I want to thank that wonderful Boca Raton Band and those pretty girls. It's a great band and thank you very much. I also wish to thank all of the wonderful people who are here who have made this stop one of the finest, biggest, most enthusiastic. It makes a long day seem very short and very, very worthwhile.

We have had a little rain, and I should apologize for my appearance, but there's an old saying, you know, that aristocracy is of the soul, not of the cloth. So, I don't look very good but I think I am a darned good President. And I want you to know that the things we have done in the last 19 months have all been plus, and the next 48 months are going to be more pluses.

I could quickly review, and I will. We have had bad inflation—12 or 14 percent—and it is cut in half. We have gone through a recession, the worst since the end of World War II. We are on the way out. Employment is going up; unemployment is going down. Prices are going down, and we have a good start on a healthy economy. And I ask you to give me a chance to make sure that it is continued.

I ask for your help March 9, and once we win that, we are on our way to win November 2.

Thank you very, very much.

NOTE: The President spoke at 5:53 p.m. at the Royal Park Shopping Center.

161

Remarks in Deerfield, Florida. *February 28, 1976*

Mr. Mayor, members of the City Commission, and all of you wonderful, wonderful people of Deerfield Beach:

It's a great pleasure to be here. We started early this morning from Washington. We ran into a little Washington weather when we got here. [*Laughter*] The weather has gotten better every stop we have come to, and it just seems to me the crowds get bigger and more enthusiastic. And for all of your wonderful welcome, your friendliness, your enthusiasm, I thank you very, very much.

I am here to tell you that the state of the United States is good, America is great, and we should all be darned proud of it.

I am sick and tired of these people who go around this country downgrading, undercutting, giving the United States the devil. I am proud of it, and so are you. Now we can be proud of it because we have come through, in good shape, a tough recession—it's not perfect, but it's getting better. And we have done it because we had good programs, we had courage, we had commonsense, and we have realism. And I thank all of you for standing steady and firm. That is what has made it possible. I appreciate it very, very much.

Now let me just say that the United States is a country that is respected and admired. The United States is a country that is second to none in military capability. The United States has the strength to maintain the peace, to deter aggression, and to protect our national security. And we will never let it be different.

Now all of you have been so kind and thoughtful, and you, I think, believe, as I do, in what America stands for and are willing to stand up tall and strong for it, as I am. And so I congratulate you and compliment you.

Before closing, may I make one request of you? I think we have done well in the last 19 months, meeting the challenges, both at home and abroad. I think we could do even better in the next 48 months, and I can do it with your help. I ask for your help on March 9. I would appreciate it. I would be very grateful. And I also ask for your help on November 2 when we will win the final round of a tough competition.

Thank you very, very much.

NOTE: The President spoke at 6:23 p.m. at the Deerfield Beach Fishing Pier.

162

Remarks in Coral Springs, Florida. *February 28, 1976*

Mr. Mayor and the city officials and Joe and my two good friends up here with me:

We have had a wonderful, wonderful day. I left Washington, D.C., at 7 a.m., arrived at Miami around 9:30, had a wonderful meeting or two in Miami, and from Miami we went to West Palm Beach and we have gone south—south? [*Laughter*]

All I can say is that we left West Palm Beach, we have had tremendous crowds despite Washington weather, not Florida's weather—and we have had great enthusiasm. We have seen a great many of our older citizens, who are wonderful people. They are terrific individuals who have given so much to this country, and they deserve our love and admiration and respect.

I can't imagine a nicer way to finish a day than to come to Coral Springs, where I understand you have 21,000 superior citizens, where you have here tonight 12,500 people, plus 7,000, as I understand it, young people who are little league experts that can play any kind of athletics better than us old folks can.

But the most important thing—and this is one that inspires me to say more than I really planned on at this stop. I have heard some of the skeptics and some of the cynics and some of the people say America is through. That is a lot of baloney.

I will tell you why. Our older citizens have given us a great country. The next generation is going to keep it a great country, and the young people here are going to make it a better and better country. I know it, and you know it.

We are going to see that this wonderful group of young people, that inspire every one of us, are going to be better educated, brought up with many more things for them to use and to see and to do.

We are going to give them a better government. We are going to give them a government that will give them an opportunity to utilize all this training and education and experience. The hope of this country, but more importantly, the world rests on the shoulders of the wonderful young people who are here.

Good luck, and God bless all of them.

NOTE: The President spoke at 6:43 p.m. at the Coral Springs Office Building. In his opening remarks, he referred to Joseph P. Taravella, president and chairman of the board of Coral Ridge Properties, Inc.

163

Exchange With Reporters on Arrival at Sarasota, Florida. *February 28, 1976*

WE HAVE had one of the finest days that I have ever experienced in politics. It started with just a tremendous meeting in Miami, and it has ended with 14 stops, and here we are in Sarasota. It is delightful to be here in Skip Bafalis' district.

I think it is one of the outstanding days I have ever spent in my political life, and I thank everybody. They have been great. The weather has been good by Washington standards. So, it is great to be here.

Go ahead.

REPORTER. Mr. President, you said today that you will have nothing to do with Castro's Cuba. Does that mean there is no chance for normalization of relations as long as he is in power?

THE PRESIDENT. When you look at the fact that he took the initiative to try and upset the problems in Puerto Rico, when he took aggressive action in Africa some 4,000 or 5,000 miles from Cuba where he sent 12,000 mercenary forces, I see nothing but an aggressive, anti-freedom movement. And so, under Fidel Castro, unless there is a 180 degree turn, I can't imagine any change from what I said this morning.

Q. Do you expect a victory next Tuesday, Mr. President?

THE PRESIDENT. I am very optimistic.

Q. Mr. President, under the present funding system, the State of Florida's interstate highway system won't be completed until almost the year 2000. Would you consider changing that funding formula?

THE PRESIDENT. We are working with the Congress in trying to accelerate some funding in the interstate system, and I think Skip Bafalis and others have worked on trying to get some extra money down here in this area. I hope we can move more rapidly. I think we can, and I will try to work out something.

Q. Mr. Reagan has said this is a time for leadership not tied to the Washington establishment. How do you respond to that?

THE PRESIDENT. The Washington establishment has achieved peace. The Washington establishment under my leadership has accomplished the recovery from the worst recession. We are licking the problem of inflation. We are achieving more employment. We are licking the problem of unemployment. I think at least the White House is making substantial progress in winning the battle

against economic difficulties at home, and we are making substantial headway in achieving peace with strength overseas.

Q. Mr. President, is your son engaged? And what would you think of a daughter-in-law like Chris Evert?

THE PRESIDENT. I think Chris Evert is a very lovely young lady. She is tremendous. I think she is not only attractive but she is superior in the tennis area.

Q. Are you going to play tennis?

THE PRESIDENT. I am going to try to play some.

Q. In your foreign policy, sir, doesn't it hurt the national security of the United States by enlisting public support in the foreign policy when your opposing challenger says he would fire the Secretary of State if he got the chance?

THE PRESIDENT. We have a good foreign policy. It has achieved peace. It is a foreign policy that will continue peace through strength. We have the highest military budget in the history of the United States, and we achieve peace through strength. I believe our policies are sound, good. We have peace and will continue peace.

REPORTER. Thank you.

NOTE: The exchange began at 9:03 p.m. at Sarasota/Bradenton Airport. In his remarks, he referred to Representative L. A. (Skip) Bafalis.

164

Remarks in Sarasota, Florida. *February 29, 1976*

Thank you very, very much, Bill, Congressman Skip Bafalis, Congressman Lou Frey, Mr. Sandegren, ladies and gentlemen and, particularly, that wonderful Riverview High School band and all of the other fine musicians here—we thank you very, very much for the help—and Sarasota:

Obviously, it is a tremendous pleasure for both Betty and myself to be here in Sarasota. It has been great just to meet many of you personally, and I haven't yet sampled it, but we hope to sample some of that wonderful barbecue very shortly.

We thank you all for the tremendous reception that we have had, the wonderful enthusiasm that has been expressed by everybody in Florida, and we thank you from the bottom of our heart.

I have been to a great many political barbecues, and I am always fascinated by barbecue because every time it's offered the ingredients, somehow, are just a little different. And I know some political campaigns have the same approach, but,

as President, I have to use a political recipe that is consistent. I don't have the luxury of dealing with each of the 50 States one at a time, telling each one of them what they want to hear. My job is to determine the best recipe for the whole country, 215 million people in 50 States, to decide what is best for the United States of America. And that, of course, is the course of action that I have tried to follow for the last 19 months.

To do that job most effectively and to extend my other responsibilities that will permit—it is important and vital for me to get to know the people of every State, to learn their concerns and aspirations firsthand, and to let them know from me where I stand.

As you know, I am entering every one of the 31 Presidential primaries this year. I want the people of every primary State, as well as those in others, to take a very close look at my record and at my goals for the future of this great country. I want them to know that I share with them a very deep, a very active faith in the ability of this great country and its people to do superb things in the months and the years ahead.

I want the American people to know that I believe in them, that I trust their judgment, that as long as I am President of the United States I intend to be candid and frank and forthright with each and every one of you to make this system work the way it ought to work.

I happen to think that it is an advantage rather than a handicap for a person to have some experience in a chosen field, and I think on-the-job experience is the very, very best kind. I am proud to say, as many of my good friends from Michigan know, I have been in public service for 27 years—as a Member of the House of Representatives, for almost 9 years as the Republican leader in the House of Representatives, as Vice President and, for the last 19 months, as your President.

Those 19 months, as we all know, began with our country facing some of the most pressing and most serious problems in our country's history. Runaway inflation and ominous beginnings of a recession threatened our economic strength and our economic stability. International tensions threatened the peace throughout many areas of the world. A crisis of confidence in our own Government and in the basic institutions of our society threatened to develop into a crisis of spirit for the American people as a whole. However, with the understanding of the American people the length and the breadth of this country, with their prayers and your support and your help, I set about to do what I could do to meet those challenges, to put America at peace with itself and with the world.

The past 19 months have seen many of these efforts succeed, and with your help we will do even better in the months and years ahead. Everything I see or hear or get from one or more of you individually—I am certain that brighter days are ahead for the United States of America. It's inevitable with our spirit and our determination and our background, and you are the ones that really make it, not those of us in Washington.

Let me cite some things that I think are worthwhile for us to recollect. Our national economy is growing stronger and more prosperous every single day. Unemployment is going down. It is not as low as it ought to be, and it will get lower, but we are headed in the right direction.

Consumer confidence is going up. We have had almost a 180 degree turn in the last several months, and that feeds on itself, and that is going to get better and better. And that is what we need to keep this momentum going.

The Department of Commerce announced just 2 days ago, that the index of leading economic indicators rose by 2.2 percent in January, the largest gain in 6 months. It is just getting better almost every day.

That index showed improvements in the length of the average work week, the job layoff rate, wholesale prices, vendor performance, stock market prices, contracts and orders, net business formations, new orders and building permits. This shows that almost every segment of our economy is rebounding in a strong, dynamic, and encouraging way. We are on the road to a new prosperity in America, and we are not going to be sidetracked now. We are certainly not going to be sidetracked by some of those phony fixes that some people want to prescribe for America.

The rate of inflation has been cut almost in half from what it was a year ago. Real earnings for the average American have increased significantly. We have recovered 96 percent of the jobs lost to the recession, nearly 2,100,000 job gains since last March, and 800,000 in the month of January.

We have cut in half the annual growth of the Federal budget this year, and if we can keep the pressure on and hold the spending down, we can balance the budget in 3 years, cut your taxes, and give you an awful lot more economic recovery of your own. That is our target.

The fact that we have turned the economy around is a credit to the American people who did not panic and to the American free enterprise system which responded to one of its toughest and greatest challenges. The forecasts of gloom and doom were wrong again, because the false prophets among us once again underestimated the courage and the determination and the ingenuity of the American people.

I have never underestimated the American people, all of you and 215 million others like you, and I never will. I thank you for all these great characteristics. We have recovered our economic strength without starting a new round of double-digit inflation and without resorting to unsound inflationary remedies for our present day problems.

Through commonsense steps, I initiated tax cuts for individuals, tax incentives for business expansion and job production, and extended economic cushions for the Americans out of work. We worked our way out of the worst recession in 30 years.

I have always believed the harder you work, the luckier you get. Hard work and hard decisions have made the difference in this recovery. We are lucky we didn't listen to those who would try to spend our way out of our recession instead of working our way out.

In fact, as Skip and Lou know, I vetoed 46 bills since becoming President. The interesting point—and I want you to listen very, very carefully—I did this without endangering or weakening our economic recovery. And incidentally, those vetoes have saved the American taxpayer $13 billion, and we will do it again and again and again.

One of those vetoed bills which some of you were particularly interested in was the so-called common situs picketing bill. We all know that a healthy striving construction industry is vitally important to any real long-term economic stability, whether here in Sarasota or in the Nation as a whole. The common situs bill, as presented to me, might well have threatened that stability. Even in Latin, common situs spells trouble, and trouble we don't need.

Something else that spells trouble, unless the Congress acts promptly, is the problem of deficit spending in the Social Security system. This year, the Social Security Agency [Administration] will pay out $3 billion more than it takes in. Next year, unless corrective action is taken, that deficit in a 12-month period will be $3.5 billion, and it will get worse year by year instead of better.

In my State of the Union Message in January and in St. Petersburg 2 weeks ago, I pledged—and I reiterate it here this afternoon—the integrity and the solvency of the social security system. In my budget for 1977, I am recommending a full cost-of-living increase in social security benefits. They must be paid this year and in the years hence.

As I look around this wonderful group and refresh my memory with the occasions I have had to shake hands with many of you, let me say something that comes from the depth of my heart, and I know you join with me in the same feeling: Aren't we all proud to be Americans? Aren't we proud of

America? Aren't we sick and tired of these skeptics and cynics and critics who downgrade and undercut what has been so beautiful in America for 200 years? America needs our support, and we are proud of it, and we are proud to be Americans.

I think it is time we remembered that we are the most richly blessed nation in the history of the world. We have special gifts and special resources and very special responsibilities greater than any other nation in the world.

The social security system, obviously, is something that has to be good, strong. It must be kept secure for this generation and future generations. We must think of the kind of country that we will leave to those future generations in our time.

America, we all recognize, has had its share of problems, but we are going to solve them. We will solve the social security problem. We will solve the economic problem. I am an optimist about our great country, and we will be a great country in the future. In that future that we must chart, at least a part of it is predicated on what happens in the election of 1976. The American people will make crucial and far-reaching decisions this year. Each of you must decide what role you want your government to play in your own life and in the life of your Nation.

Let me sort of simplify something I believe in very deeply. We must never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

But in the process of deciding what what we all do in 1976, you must decide what qualities and what characteristics of leadership you expect in your public officials. You must decide what course you want our national economy to follow in the years ahead—a firm, steady course of growth and stability or a course of drastic turns, costly experiments, and increasing government control.

It is the strength and the genius of the American political system that you can make those decisions, each and every one of you, for yourself, and how lucky we are. Election day is a celebration day for freedom. I hope that you will join in that celebration, and I hope that you will give me your support on March 9, November 2, and in the 48 months ahead.

Thank you very, very much.

NOTE: The President spoke at 1:55 p.m. at the Sarasota Shrine Hall. In his opening remarks, he referred to William Korp, campaign manager for the Sarasota County President Ford Committee, and Andrew Sandegren, Sarasota County commissioner.

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Exchange With Reporters on Arrival at Tampa, Florida. *February 29, 1976*

THIS IS a great stop in Tampa. We have had two fine, full days. The response has been really tremendous—good crowds, excellent enthusiasm. Everything we have seen so far down here has been strongly on the plus side, and Betty and I are very, very enthusiastic. We had some momentum when we came. Just like in that soccer game, when you have the momentum going, you are awfully tough to beat.

REPORTER. Are you going to come back next week?

THE PRESIDENT. We have not had time to evaluate it. We will come back if there is time because we have some big problems in Washington, and we will also take a look to see whether the momentum is still going. I think organizationally speaking, under Lou Frey [1] and the others, I have never seen so many enthusiastic workers. We have got everything going in the right direction, so at the moment, with the things we have to do in Washington, we just can't make a decision.

Q. What are those things you have to do?

THE PRESIDENT. We have a few problems with the Congress. We have got some legislative matters. We have some matters concerning, particularly, the budget. Congress has to make some decisions early in the new budget process. And we are going to do our utmost to keep the Congress from going hog wild in spending, and the first step to hold them on line is, I think, March 15.

Q. Why do you think the Florida Republicans will vote for you over Ronald Reagan in the Republican primary?

THE PRESIDENT. I think we have a proven record, a record that seems to appeal to a very substantial number of Republicans in Florida and, I think, fortunately, a substantial number of Democrats.

Q. Do you think you will beat Reagan?

THE PRESIDENT. I think we will do very well, and I think we will win.

Thank you all very, very much. It is nice to see you.

NOTE: The exchange began at 4:02 p.m. at Tampa International Airport.

[1] Representative Louis Frey, Jr., chairman of the Florida President Ford Committee.

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Remarks in Tampa, Florida. *February 29, 1976*

Thank you very much, Lou. Congressman Skip Bafalis, Jim Gray, Mrs. Chavez, all these distinguished guests and wonderful friends, ladies and gentlemen, and particularly these wonderful young people—Boy Scouts, Girl Scouts, Campfire Girls, Brownies—we love them all.

Obviously, it's a tremendous pleasure, a great experience for Betty and me to be in Florida again and to sort of wrap up a tremendous weekend with this just overwhelming, overawing experience here in Tampa. It's a great city—wonderful people—and I guess I have a friend or two here. And with all the friends we've got here and a good many elsewhere in Florida, we are going on from here.

We intend to win the nomination in August, in Kansas, and then we are going to win the election in November, in all 50 States. And we will win because we have the policies, the programs and, above all, the people on our side. And all of you here reflect that kind of support, and we thank you from the bottom of our hearts.

We will win because the American people—they know that it took action, not words, to put America back on the course. We have made real, solid, measurable progress in solving the problems that affect most. And you are going to see a lot more progress in the months ahead, I promise you that. And I haven't fallen back on a promise in the 19 months that I have been in public office as President of all of you.

When I became President 19 months ago, America was faced with some very, very serious concerns: runaway inflation and recession, both of them threatened our economic strength and our stability; international tensions threatened the peace of the world in many places of the globe; a crisis of confidence in our own government and in the basic institutions of our society threatened the promise of the 200-year-old American experience. It was a bleak, depressing, even frightening picture. It was a time that called for strong, affirmative action.

Nineteen months later, the results are all there for Americans to take pride in and all of the world to note. Our national economy is growing stronger and more prosperous every day. The business community is planning ahead with a new-found sense of certainty and security. And we, individually, are finding

that economic indicators point to good news ahead almost every day of every month.

The Department of Commerce just announced 2 days ago, that the index of leading economic indicators rose by 2.2 percent in January and, listen to this, the largest gain in 6 months. We should be darned proud of it.

That crucial, that critical index showed improvements in the length of the average work week, the job layoff rate, wholesale prices, vendor performance, stock market prices, contracts and orders, net business formation, new orders and building permits. That's a sizable list of things on the up. This shows that in almost every segment of our economy, there is a rebounding, strong, dynamic, encouraging way.

We are on the road to a new prosperity in America, and we are not going to be sidetracked now. We are going to move ahead strongly, affirmatively, and healthily.

Let me speak for just a minute about some things that concern all of us. Employment has gone up. In January alone, we gained 800,000 new jobs, the biggest monthly increase in nearly 16 years. And that's progress by any measurement. In January alone, unemployment fell by five-tenths of 1 percent, the biggest monthly drop in more than 16 years. We are still not moving as fast as I would like it, particularly in Florida. But we are moving and moving in the right direction, and I am not going to let up until every American who wants a job will have a job. That's a promise to you.

During 1974—just let your memory go back a bit—inflation was raging at an annual rate of more than 12 percent. The latest indicators show we have cut it almost in half. Again, I am not satisfied; that's still too high. But by any standard, that's real progress. And the American people know it, and I think they kind of like it, because we are going to do better and better as we move ahead.

The latest index of consumer confidence—and that is all of you, how you and your family and your neighbors look at the future—it is double that of a year ago. The American people know that we have gone through a tough time. But they know we are on the way back up, and so consumer confidence is indicated in every place in almost every household.

Real earnings for the average American worker rose significantly in January, well above the rate of inflation. That means that your purchasing power is on the increase. Now, when you get a bigger paycheck—and I hope you get a lot of them—it doesn't buy a smaller bag of groceries, and that's the real test for the housewife.

Nearly 2,100,000 jobs have been recovered since last March. That's 96 percent, almost 100 percent of all the jobs lost during that worst recession in more than 30 years. And we did it—this is the encouraging thing—we did it without strapping fiscal responsibility, without massively tapping the Federal Treasury, and without sapping the American taxpayer. Again, that's the way to do it, and that's the way we have done it.

We didn't resort to expensive, temporary, quick-fix Government solutions. Through the commonsense ideas that I initiated and promulgated—listen to them—these were the good polices: tax cuts for individuals, tax incentives for business expansion and job production, and extended income cushions for those Americans out of work. With all of these programs and with your help, and the fact that you didn't panic, we have weathered the worst of the storm. As a result of this administration's action, we have begun a vigorous economic recovery. But the price of America's economic recovery was not a new round of double-digit inflation, nor was it billions and billions of extra dollars from the Federal taxpayer.

I think all of you here know where I stand on the critical issue of unnecessary Federal spending. I vetoed, and I underline "veto," 46 bills since becoming President—and without endangering or weakening the economic recovery. Listen to this: These vetoes will save the American taxpayer $13 billion. That's a lot of headway. And let me assure you, let you in on a little secret, I will continue to veto those extravagant spending bills again and again and again, until we restore some self-control in the United States Congress.

We have to keep our financial house in order, and you have every right to expect that the Federal Government, your Government will do the same thing. If we can hold the line on Federal spending, if we can keep the budgetbusters in Congress under some control, then another major tax cut will be entirely possible in the latter part of this year and another one in 1979, and we will balance the budget at the same time.

As I've said, I think we've got a strong economy, and I intend to make it even stronger. I want more jobs for Americans, and I want those jobs to provide Americans with a future to give you pride, as well as a paycheck. I want to sustain our prosperity not only as a goal but as a fact of life in the United States of America.

But economic progress is not the only progress we have made. Today America is at peace. Today, there are no Americans fighting anywhere in the world. I

want to keep it that way. We will keep it that way, and that is good for America as the rest of the world.

I believe in peace and freedom through strength. We will stand tall and strong and keep our powder dry so the United States of America can negotiate from a position that commands respect and invites cooperation from those that want to deal with us. I have taken very firm steps to ensure that our major alliances are strong, our commitments are valid, and our defenses are without equal throughout the world.

I have proposed in the last 2 years—and I hope you will listen to this because it is true, and some people have made some sly, slight remarks about it—I have proposed the largest two peacetime defense budgets in America's history, reversing a trend that was reducing our defense expenditures year by year to levels that were dangerously low.

The price of our national defense may be very high, but the price of freedom is one that Americans have always been willing to pay in blood, in sacrifice, in treasure. We are no less willing to pay that price in America today to keep our Nation secure.

And if we continue the kind of defense budgets that I have recommended and if the Congress cooperates and doesn't slash them as they have in the past, America will have peace and freedom. We will deter war, and we will maintain our national security. Help me. The Congress needs to get the message.

But America's security rests on more than armaments alone. It rests, in part, on our determination to make the lives of our own citizens here secure at home. This is especially important for America's older citizens to whom this Nation is so deeply indebted.

In my State of the Union Address to the American people and to the Congress, I pledged to ensure the integrity and the solvency of the social security system. I am fighting to maintain that solvency. American working men and women who have labored too long and contributed too much to the greatness of America to be denied the income that they have earned for their retirement in later years.

I will continue to push, prod, and press the Congress to make sure that your social security benefits now, as well as in the future, will be responsibly funded and fully protected.

To be sure, strong, and secure from within is a great bulwark of our liberty, and that is something that we must never, never forget. But our ultimate strength is the one of the spirit, the love of freedom, the pursuit of justice, the

commitment to progress which Americans have shared for 200 years. We live in a nation that is the envy of the whole wide world.

Frankly, let me just say this: I am darned fed up with those Americans who downgrade America, and I hope you are, too. Obviously, you and I agree. We believe in America. We believe in its strength. We believe in its purpose. We believe in its goodness and, believe me, I believe in you, the American people, and I thank you for your support.

Let me say something that means very much to me. We in America need frankness, candor, forthrightness. We shouldn't promise more from Washington than we can produce, and we shouldn't tell the American people that they can have everything. We should tell them the facts, and we should produce everything that we promise. And I say to all of you here, the wonderful people from Tampa, everything I promise you, we will produce, and we won't promise you anything we can't produce.

Let me add this: Working together—that is you and me—we can look to an even brighter future for our children and their children. These wonderful young children, boys and girls, give me an inspiration. We inherited—those of us alive today—a country that was given to us by our forefathers, and they gave us a great country. I think we, through wars and depression and recession and other problems—when the scorecard is kept, when the historians write the books, they will say we didn't do too badly, either.

But we have some things we've got to do, not for us, necessarily, but for these great kids, these great young people. That's our obligation, and I know that you will join me in making certain that that obligation, that responsibility, is maintained.

But let me conclude with just this observation and comment, I look out that way and you are looking here, but all of us can see an America today in which all men and women live in dignity and security and harmony and peace.

We can see a people taking pride in the work and finding pleasure and purpose in their lives. We can see America—and Tampa and Florida and 49 other States—in which government is the capable servant and not the master of its people.

We can see America, which cherishes those old values of honesty, compassion, determination, and courage. We can see America, in which those dreams we have dreamed since our youth—and these young people are dreaming today—we can see an America in which those dreams will come true.

That is my goal. That is what we want for all of America. And that is why I

ask you, and I ask you very deeply, I ask you for your support in these coming days and these coming years.

Thank you very, very much.

NOTE: The President spoke at 4:13 p.m. at the Austin Building Complex. He was introduced by Representative Louis Frey, Jr., chairman of the Florida President Ford Committee.

In his opening remarks, the President referred to James W. Gray and Helen Chavez, cochairmen of the Hillsborough County President Ford Committee.

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Remarks at a President Ford Committee Reception in Tampa. *February 29, 1976*

LET ME, as we wrap up 2 wonderful days in Florida, thank all of you who made this last meeting one of the finest, if not the best. It was tremendous. But it certainly was the climax to 2 superb days.

We started out with some of that Washington weather on the other side of the State, but it really turned out in the long run, the whole day yesterday was terrific. The whole day today has been ideal.

I think more than ever—when we came down, I thought we were going to win—I am absolutely certain we are going to win. The people in New Hampshire did a superb job. They gave us the kickoff, the springboard that was needed.

We are going to win in Massachusetts, and, of course, our opponent did not enter the Vermont primary, so we are going to have three States when we get down to Florida. And we have done well in some of the convention States, where it was critically important to get the caucuses, such as in Minnesota. In Minnesota, they did extremely well in the caucuses last week.

We have the momentum going, but Florida is really the key. If we can win and win well in Florida, they ought to know they can't win, period. And so what we do between now and March 9—9 days away—is going to be critical and crucial because this State can be very, very important in convincing others—those where they have conventions, those where they have caucuses, and those where they have primaries.

So, we have done well so far. The momentum is great. I am confident, but I always prepare for the worst because the best will take care of itself. So, we are going to get out there and work with you. We will do everything we can to make certain that March 9 is a great, great victory, I think, for all of us and for

the whole program we have worked at, striven for. And it will convince, I think, people in the 46 other States that we are on the right track.

Thank you very, very much.

NOTE: The President spoke at 4:50 p.m. at the Austin Building Complex.

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Remarks Upon Signing a Special Message to Congress Proposing Elementary and Secondary Education Reform Legislation. *March 1, 1976*

IN THE past decade, while education has remained a local responsibility, we have responded at the Federal level to a number of problems perceived to be of a national scope. We've tried to improve educational opportunities, but in the process we have created a heavy burden of regulations and redtape.

Too often we have found ourselves asking whether Federal forms have been properly filled out, not whether children have been properly educated. There has also been a tendency toward a greater central control over the decisions which should be made by local education officials.

The time has come to provide Federal support without Federal impediments. For that reason, I am proposing today the financial assistance for elementary and secondary school act. It would consolidate 24 existing categorical grant programs into a single, or one block grant program.

The focus of my proposal will be on improved educational opportunities for those with very special needs: the handicapped and the educationally deprived. Federal funds will be provided with a minimum of Federal regulation and a maximum of local control.

Education needs can be met most effectively by giving people at the local level the tools to do the job well. Under the legislation I propose, every State will receive at least as much money for the consolidated program as it did in fiscal year 1976 for the existing programs.

I am requesting a total of $3,300 million for fiscal year 1977. I am also proposing that the program grow by $200 million in each of the next 3 fiscal years. For too long, the real issue in our education programs, Federal versus local control, has been obscured by debate over funding levels. Hopefully, with the funding levels that I am proposing, we can direct the debate where it really belongs, to reform of our education support programs.

I strongly urge the Congress to act quickly and favorably on my proposal to help ensure quality education for all of our children.

Thank you very much.

NOTE: The President spoke at 11:15 a.m. at a ceremony in the Cabinet Room at the White House.

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Special Message to Congress Proposing Elementary and Secondary Education Reform Legislation. *March 1, 1976*

To the Congress of the United States:

The education of our children is vital to the future of the United States. From the start, our Founding Fathers knew that ignorance and free government could not coexist. Our nation has acted from the beginning on the sound principle that control over our schools should remain at the State and local level. Nothing could be more destructive of the diversity of thought and opinion necessary for national progress than an excess of control by the central government.

In recent years, our national sense of fairness and equity has led to an increasing number of Federal programs of aid to education. The Federal government has recognized a responsibility to help ensure adequate educational opportunities for those with special needs, such as the educationally deprived and the handicapped. We have appropriately provided States and localities with added resources to help them improve opportunities for such students. At the same time, we have channeled our aid into too many narrow and restrictive categorical programs. As a result, we have made it more difficult for the schools to educate.

It is time that we reconcile our good intentions with the recognition that we at the Federal level cannot know what is best for every school child in every classroom in the country.

In my State of the Union address, I spoke of the need for a new realism and a new balance in our system of Federalism—a balance that favors greater responsibility and freedom for the leaders of our State and local governments.

Our experience in education demonstrates that those principles are not abstract political philosophy, but guides to the concrete action we must take to help assure the survival of our system of free government. We must continually guard against Federal control over public schools.

I am proposing today the Financial Assistance for Elementary and Secondary Education Act which will consolidate 24 existing programs into one block

grant. The focus of this block grant will be on improved educational opportunities for those with special needs—the handicapped and educationally deprived. Federal funds will be provided with a minimum of Federal regulation and a maximum of local control. My proposal is based on the conviction that education needs can be most effectively and creatively met by allowing States greater flexibility in the use of Federal funds.

I am particularly pleased at the extent to which my proposal reflects extensive consultations with individuals, organizations representing publicly elected officials and leaders in the education community. The proposal has been modified and strengthened since the time of my State of the Union message as a result of suggestions we received. I am convinced it represents essential changes in our system of providing aid to education.

My proposals will consolidate programs in the following areas:

- Elementary and Secondary Education
- Education for the Handicapped
- Adult Education
- Vocational Education

To assure that students with special needs receive proper attention the proposed legislation provides that 75 percent of a State's allocation be spent on the educationally deprived and handicapped, and that vocational education programs continue to be supported. The same strong civil rights compliance procedures that exist in the programs to be consolidated are included in this legislation.

Under the proposed legislation, funds will be allocated to States based on a formula which takes into account the number of school-aged children and the number of children from low-income families. No State will receive less money than it did in Fiscal Year 1976 under the programs to be consolidated. Further, local education agencies will be assured that the funds will reach the local level, where children are taught and where control should be exercised.

Vocational education is an important part of our total education system. Here, too, my proposal seeks greater flexibility at the local level while maintaining Federal support. States would be required to spend a portion of the funds they receive on vocational education, giving special emphasis to the educationally deprived and the handicapped.

Non-public school and Indian tribal children would continue to be eligible for assistance under this proposal. Where States do not serve such children, the Commissioner of Education will arrange to provide funds directly, using the appropriate share of the State's funds.

The proposed legislation will require States to develop a plan, with public participation, for the use of Federal funds. All interested citizens, students, parents and appropriate public and private institutions will participate in the development of the plan. States will be required to develop procedures for independent monitoring of compliance with their plan. State progress will be measured against the plan, but the plan itself will not be subject to Federal approval.

For Fiscal Year 1977 I am requesting $3.3 billion for the education block grant. For the next three fiscal years, I am proposing authorizations of $3.5 billion, $3.7 billion and $3.9 billion. For too long the real issue in our education programs—Federal versus State and local control—has been obscured by endless bickering over funding levels. Hopefully, with these request levels, we can focus the attention where it belongs, on reform of our education support programs.

Enactment of this legislation will allow people at the State and local level to stop worrying about entangling Federal red tape and turn their full attention to educating our youth.

I urge prompt and favorable consideration of the Financial Assistance for Elementary and Secondary Education Act.

GERALD R. FORD

The White House,
March 1, 1976.

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Letter to the Speaker of the House and the President of the Senate Transmitting Documents as Required by the Forest and Rangeland Renewable Resources Planning Act of 1974. *March 2, 1976*

I AM pleased to transmit a Statement of Policy, a Renewable Resources Assessment and the Secretary of Agriculture's proposed Renewable Resources Programs as required by the Forest and Rangeland Renewable Resources Planning Act of 1974.

I have agreed that the general goals recommended by the Secretary are desirable ends and are worthy of our careful consideration. I have further stated that my policy will be to implement the recommended goals in accord with two basic principles—maximizing the Federal budget's contribution to the Nation's

welfare and minimizing Government interference with the normal operation of the market. I have also outlined some further work necessary to permit a more comprehensive assessment of the recommended program activities and targets.

I look forward to working with the Congress on these matters in the coming months.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

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Statement of Policy Under the Forest and Rangeland Renewable Resources Planning Act of 1974. *March 2, 1976*

THE FOREST and Rangeland Renewable Resources Planning Act of 1974 was one of the first bills I signed upon entering the Office of the President. It is important legislation. It provides a process which should permit better informed choices to be made in the management of the Nation's vital renewable resources. It provides for periodic review of the present and prospective demand and supply for the various uses of the Nation's 1.6 billion acres of forest and rangelands. This, together with sound evaluation of alternative Federal programs—in terms of their economic and environmental implications—will provide the Congress and the Executive Branch with information needed to select appropriate National goals and effective programs to attain these goals.

The findings of the first Renewable Resource Assessment—the first principal task required by the Act—are encouraging. The Nation's forest and rangeland areas are presently making major contributions to the Nation's welfare. Moreover, the Assessment identifies extensive opportunities to increase the production of a wide variety of goods and services to meet projected demands in the future. I am confident that an appropriate combination of public and private actions can meet our demands for the foreseeable future.

The second principal task of the Act—preparation of a Renewable Resource Program—involves:

- selection of a particular combination and level of uses over time from the many alternative ways to use the 187 million-acre National Forest System, with full consideration both of environmental values and of all competing

demands for use such as timber production, wilderness preservation, recreation and wildlife.

- evaluation of whether and to what extent the Federal Government should provide assistance to State and private landowners.
- development of a comprehensive Federal research program, complementary to State and private research efforts, for the management, protection and use of forest and rangeland resources.

Preparation of the Program was an extremely difficult task complicated by:

- a lack of adequate and accurate data on program input/output relationships.
- difficulty of determining the relative priority of competing uses; e.g., timber, recreation, etc.
- uncertainty over rates of future population increases and income levels and demand and supply relationships for each competing use.

The Forest Service has made significant progress on this complex task in the past year. A range of possible goals has been formulated and analyzed in terms of the costs of Federal programs, the anticipated value of program results, and the environmental implications. Based on this approach, the Secretary has recommended a program consisting of a series of general goals with specific production targets for Federal programs for the years 1977–1980 and for each decade through 2020.

The general program goals recommended by the Secretary are:

- "Increase supply of outdoor recreation opportunities and services through Forest Service programs that emphasize dispersed recreation."
- "Provide for a moderate increase in wilderness from national forest land."
- "Provide for species diversity and greater wildlife and fish populations through a substantial increase in habitat management."
- "Provide forage to the extent benefits are commensurate with costs without impairing land productivity."
- "Increase timber supplies and quality in an environmentally sound manner to the point where benefits are commensurate with costs."
- "Meet minimum air and water quality standards. Emphasize improvement of soil productivity and air and water quality while selectively improving, commensurate with benefits, water supply. Meet other land stewardship standards."
- "Increase emphasis on involvement in discrete human and community development efforts that complement the activities in other Forest Service resource systems."

I agree that the general goals recommended by the Secretary are desirable ends and are worthy of our careful consideration.

The goals—and the Federal programs to achieve these goals—must be shaped by two fundamental, overriding principles:

- First, decisions to implement Federal programs to achieve the general goals must be made consistent with
  —decisions on how much Federal tax should be assessed on our Nation's people and businesses for public programs, and
  —other Federal budget priorities
  The Senate Committee on Agriculture and Forestry explicitly recognized this important principle in commenting on its draft of the Act:
  "What the legislation does is make clear that this Program is a 'guide'; thus it is one of several possibilities. The President takes into account fiscal issues, the national defense, and general welfare as other 'guides' in formulating overall budget policy. He is required under this language simply to consider the Program as the guide in setting resource conservation criteria."
- Second, our Government must permit the private sector to satisfy demands for goods and services without unjustified direct or indirect Federal subsidies or unwarranted regulatory interference. It is therefore essential to assure that Federal programs undertaken to achieve the general goals are not substitutes for private sector activities. Because we must avoid recommending programs that, counter to this principle, would involve a major expansion of the Federal role, I believe that additional time is necessary to make the analysis necessary to provide this assurance—assurance, for example, that an array of subsidies to private landowners and direct investments on public lands do not stabilize timber prices at levels less or more than required to produce competitive returns on amounts demanded at those prices.

My policy will be to implement the recommended goals in accord with these basic principles.

In addition, I believe that further evaluation is needed to:

- assure that the programs undertaken will not be counter-productive by displacing more productive private investments.
- assure that production and price targets will provide reasonable returns to producers.
- refine and improve the benefit/cost evaluation to:
  —improve the estimates of costs and their associated benefits.

—assure that benefits cited, such as lower consumer prices for wood products, are appropriate and result from Federal action.

—determine the appropriate trade-offs between competing uses of our forest resources so as to yield the greatest net benefits from their use.

Apart from these fundamental concerns, further attention should be directed to certain specific items, among them:

- Upgrading the existing data base which in many areas is inadequate.
- Evaluating user charges as a potential source of financing the costs associated with a variety of goods and services now provided free or at a price less than their cost.
- Evaluating the effectiveness of State and private landowner assistance programs.
- Evaluating timber inventory management to determine whether changes in present practices would yield greater net benefits to the Nation.

I believe that looking into the future to ascertain when actions must be taken to meet carefully determined goals is essential. The process provides an opportunity to develop informed policy for an area of significant concern to the Nation. But for the process to be workable, it must not be treated as producing an inflexible plan but rather viewed as an aid to charting our course for the next few years subject to overall budget priorities and exigencies not now foreseen.

There is much work yet to be done. I am committed to accomplishing the necessary tasks that remain.

GERALD R. FORD

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Remarks at a Meeting With the Chairmen and Ranking Republican Members of the Senate Armed Services and Appropriations Committees on the Fiscal Year 1977 Defense Budget. *March 2, 1976*

WELL, I think I'll leave politics aside for a moment and talk very precisely about the defense budget, and the four of you have a very important role in it.

I submitted, as all of you know, the largest defense budget in the history of the country. And I submitted it knowing, first, that we had to have it and, secondly, that we had to reverse the trend that has been developing over the last few years.

All of you know as well as I do, that the United States does have at the present time a rough equivalency with the Soviet Union. But the situation is such that

we cannot permit it to change adversely, and that's why the budget of $112 billion in obligation authority and $101 billion in spending, I think, is absolutely mandatory.

You four are experts and we need your help in the months ahead in convincing others that that rough equivalency must be maintained, and the budget that I have submitted will do so.

We have had, as all of you know, a trend that was going in the wrong direction vis-a-vis the buildup of the Soviet Union. We're in good shape now, and a 1-year military budget of this magnitude will not be sufficient.

This is an important budget this year, but I think we have to have continuing budgets of this magnitude with the necessary growth factor in the future. And I have told the Secretary of Defense that I am going to back him to the hilt in his presentation to the Congress and to the American people.

We have come to a very critical point. Last year, I submitted a good defense budget. This one, I think, is a mandatory budget for fiscal year 1977. We put about $1,700 million more in for the strategic forces, for the B-1, the Trident, for the initial procurement for the B-1.

We've got about $4,700 million in there for conventional force strengthening. We have about $1 billion more in for research and development. We have extra money in that's absolutely necessary for the maintenance and operation of our Army, Navy, Air Force, and Marines.

But all of this money must be, as we see it, approved in fiscal '77 in order to maintain that mandatory rough equivalency with any other super power. We have it today, and we're going to keep it in the future in order to deter any aggression, to maintain the peace, and to protect our national security.

I know from my many contacts with all of you that you feel basically as I do. Our problem is to sell the Congress and to get the full support of the American people.

NOTE: The President spoke at 11:05 a.m. in the Oval Office at the White House where he was meeting with Senator John C. Stennis, Chairman, and Senator Strom Thurmond, ranking Republican member, Senate Armed Services Committee; and, Senator John L. McClellan, Chairman, and Senator Milton R. Young, ranking Republican member, Senate Appropriations Committee.

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Letter to Heads of Departments and Agencies on Data Collection by the Federal Government. *March 3, 1976*

[Dated March 1, 1976. Released March 3, 1976]

IN RECENT months, I have publicly expressed concern about the number of government forms in existence and the heavy burden they place on individuals, employers, and State and local governments. I am charged with responsibility for achieving the purposes of the Federal Reports Act (44 U.S.C. 3501–3512). The purposes of that Act are clear and simple: to allow necessary information to be obtained by the Federal Government with minimum burden on the public.

American citizens are understandably exasperated by the complexity of reporting to the Federal Government. To put it bluntly: Regardless of how necessary a program administrator or agency head may believe reports to be, the American people believe that they are too many, too long, too frequent, and take too much time to fill out. We simply have to reduce the Federal Government's reporting burden on the public.

To improve our overall performance, I direct you to assume personal responsibility for achieving the purposes of the Federal Reports Act, insofar as your agency is concerned. In the delegation of your authority, with respect to this responsibility, the line of delegation must be unambiguous and run directly to yourself. I regard this as a critical organizational step to assure continuing and effective attention to controlling and reducing the heavy public impact from governmental data collection.

I have directed the Director of the Office of Management and Budget to develop and transmit to you immediately following this letter a series of criteria for your use in reducing the number, length, frequency, and time required to complete reports to the Federal Government.

I expect prompt results from this effort. Specifically, I expect the number of reports which collect information from the public to be reduced at least 10 percent by next June 30. Further, I expect you to undertake a continuing effort to reduce the burden of governmental reporting.

These are important first steps toward developing a strong and permanent sense of responsibility in all departments and agencies to protect the American people from unnecessary expenditure of time and money in order to satisfy our information requirements.

Finally, I expect that the Executive Branch will cooperate fully with the Commission on Federal Paperwork in its efforts to address these matters more broadly.

I anticipate your wholehearted and effective compliance in securing these goals.

Sincerely,

GERALD R. FORD

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Remarks at Dedication Ceremonies for the Disabled American Veterans National Service and Legislative Headquarters. *March 3, 1976*

Thank you very, very much, Lyle, distinguished Members of the House and Senate, my former colleagues, my very good friends and also a former colleague, the Administrator of the Veterans Administration, better known as Roudy, Mrs. Schulze, Reverend Elson, distinguished guests, ladies and gentlemen:

I am extremely proud to be here with you today and to particularly participate in the dedication ceremonies of the National Service Headquarters of the DAV. It is a most impressive building in an excellent site, and I commend and congratulate the DAV for seeing this brick and mortar come to life with the activities that are going on here today and the activities that will be continuing for a good many years to come.

In August of 1974 I had the privilege, as Vice President, of addressing the 53d annual convention in New Orleans. At that time your national commander very graciously offered me an invitation. He said I would be welcome at any gathering of the Disabled American Veterans at any place. I can think of no time or place or occasion more appropriate for me to accept that invitation than here today. And I thank you, Mr. Commander, for inviting me to participate.

The completion of this very, very impressive new National Service Headquarters is the proud climax of your fine history of accomplishment, a history that stretches back some 56 years. And I know how much it has meant to many of you to participate, and I can tell from the crowd here and the looks on the faces of those here that this is a historic moment in the life and the history of the DAV.

As a veteran myself of World War II, I have long admired and greatly respected the outstanding role that the DAV has played in our national life. The DAV, with over half a million dedicated members, has compiled a very enviable record of conscientious and, perhaps even more importantly, compassionate response to the very special needs of disabled veterans and their families.

Your efforts have greatly increased the educational, medical, and employment opportunities available to disabled veterans. You have personally assisted—and I mean really assisted—hundreds and hundreds of thousands of individual veterans and their families in receiving the benefits that they have earned.

Working with the Veterans Administration, you and the members of your auxiliary have promoted the rehabilitation, the welfare of literally hundreds and hundreds of thousands of hospitalized veterans and your unique partnership, which is not as well known as it should be, with the Boy Scouts of America makes it possible for thousands of handicapped boys throughout our country to enjoy the benefits of scouting.

Throughout all of these programs, I think this organization has uniquely displayed a strong, healthy, and vibrant patriotism. You are rightfully proud, as I am, of the great country we all were called upon to defend, as we did. However, yours was the ultimate involvement. You gave your muscle, your blood, your courage, and your years. It was a priceless gift to America that America must never forget. And as President and as Commander in Chief and as a citizen, I salute each and every one of you.

One of your very notable accomplishments, again not too well known, has been to serve and to involve in your work disabled veterans of the Vietnam conflict. It is my understanding that more than 80 percent of your 280 National Service Officers stationed throughout the United States today are from the Vietnam conflict. I think this clearly shows your success in meeting the new challenges confronting veterans and veterans' organizations.

We have exactly the same obligation to servicemen of that long and divisive war as to any others. They served their country well in wartime and it is only right that we serve them just as well in peacetime.

By maintaining, by improving our Veterans Administration we can ensure that veterans will get the help that they so richly deserve. That is why, even within the tight constraints of the Federal budget for fiscal year 1977, I have recommended a record amount of over $4 billion for VA medical care.

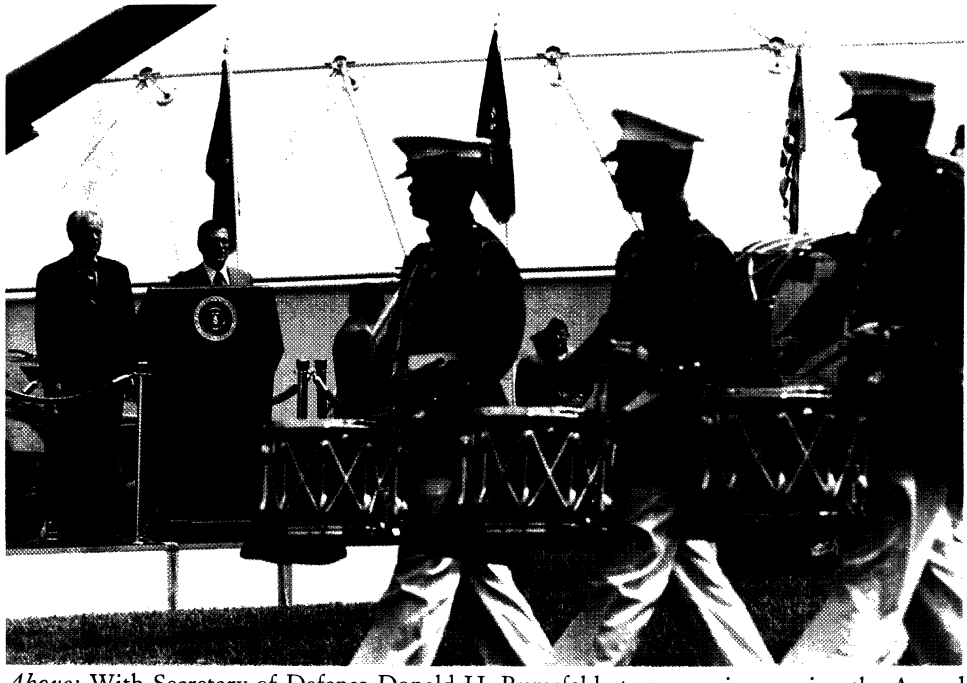
Again, despite the fiscal constraints, I have requested funds for more than 9,000 new VA medical personnel in the budget for fiscal years 1976 and 1977.

Dancing with Queen Elizabeth II of the United Kingdom at a dinner in her honor in the Rose Garden at the White House, July 7, 1976.

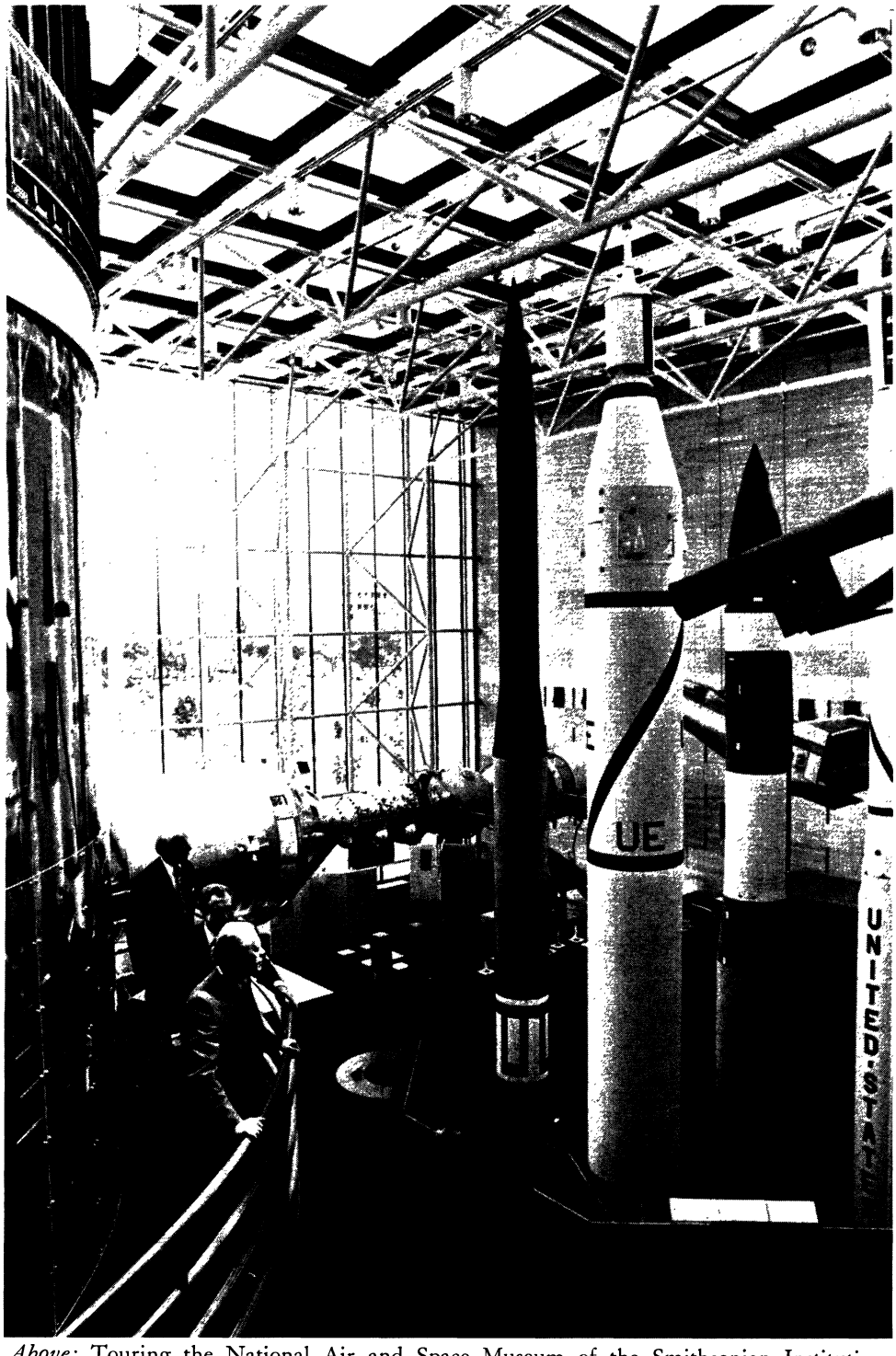
President Gerald R. Ford

A collection of photographs: 1976 and 1977

Above: Addressing a joint commemorative session of the Virginia General Assembly in the Hall of the House of Burgesses in Williamsburg, Virginia, January 31, 1976.

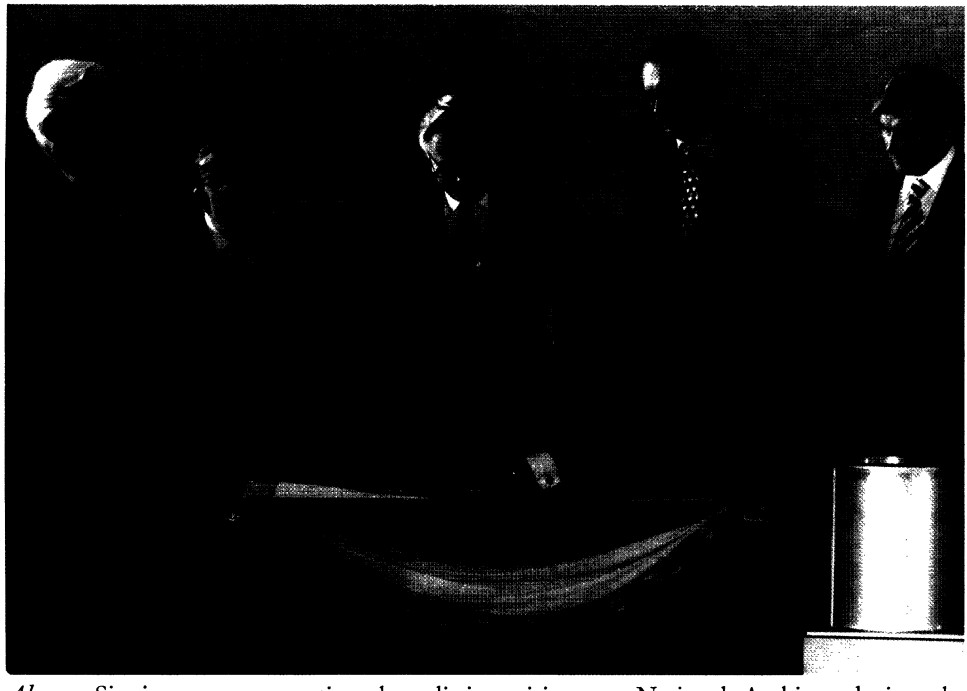


Above: With Secretary of Defense Donald H. Rumsfeld at ceremonies opening the Armed Forces Week exhibit at the Washington Monument, May 10, 1976.



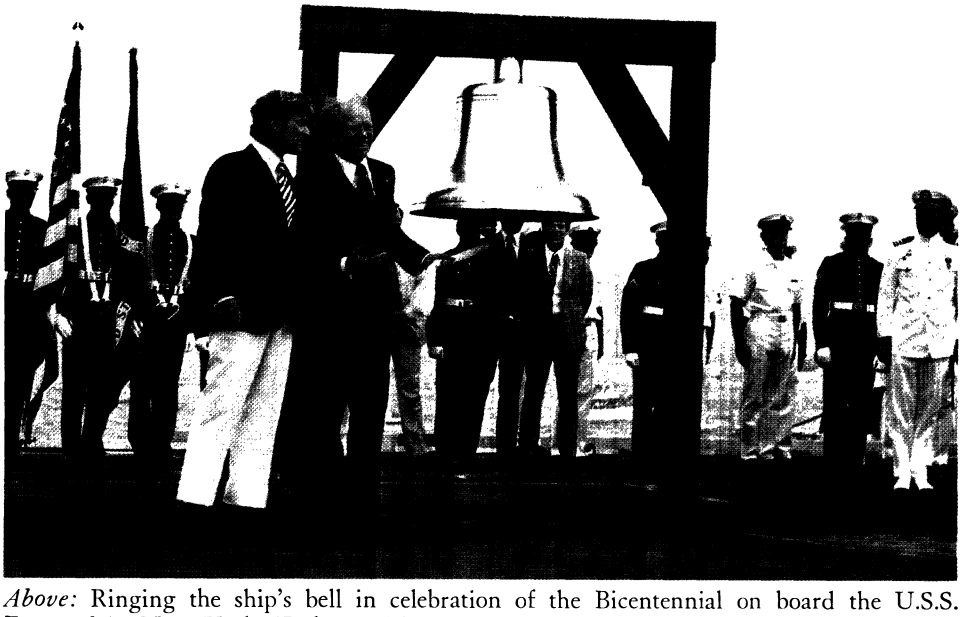
Above: Touring the National Air and Space Museum of the Smithsonian Institution, July 1, 1976.

Above: At the Centennial safe opening in Statuary Hall at the Capitol, July 1, 1976.



Above: Signing commemorative sheet listing visitors to National Archives during the Bicentennial celebration July 2–4, in Exhibition Hall, July 2, 1976.

Above: Bicentennial ceremony at Independence Hall in Philadelphia, Pennsylvania, July 4, 1976.



Above: Ringing the ship's bell in celebration of the Bicentennial on board the U.S.S. *Forrestal* in New York Harbor, with American Revolution Bicentennial Administrator John W. Warner, July 4, 1976.

Above: Reviewing the procession of "Tall Ships" from Operation Sail on board the U.S.S. *Nashville* in New York Harbor, July 4, 1976.

Left: Cutting a Bicentennial birthday cake on board the U.S.S. *Nashville* in New York Harbor, July 4, 1976.

Below: Following arrival ceremonies at the White House for Queen Elizabeth II and Prince Philip of the United Kingdom, July 7, 1976.

Above: Receiving line at the dinner honoring Queen Elizabeth II of the United Kingdom in the Rose Garden at the White House, July 7, 1976.

These funds, this personnel, they are needed to implement the recommendations of the quality of care survey, and I am confident that the Congress will carry out the request. I think it is legitimate. I think it is needed and the net result will be better and better care for those who are unfortunately confined to our VA hospitals. And those budgets provide—it is interesting to note—some $600 million for VA medical construction projects.

Actually, we are providing more funding, more people, and better facilities to give eligible veterans the highest quality and the fastest possible care that this country can make available.

In addition to what I have mentioned before, the new VA budget will provide $8 million in compensation and pension benefits to almost 5 million veterans' families in fiscal year 1977. And every American citizen, I think, agrees with me—you deserve nothing less. And we will do all that we can to make certain that you receive nothing less.

I believe the Veterans Administration has done a fine, fine job overall under the very difficult circumstances, under the leadership of my very good friend, Dick Roudebush. The VA has made tremendous strides in serving our veteran population. And we are going to make certain and positive that this progress continues with the help of organizations such as your own.

From your new headquarters here you will be in a very good position to continue serving the interests of disabled veterans. This new building is a monument to the sacrifices made by those veterans and to the services you have rendered to them. But it is more than that. It is a living, vital, dynamic headquarters where you can and will continue those services.

It is interesting to me that here is a building that has been designed with sensitivity to the needs of disabled veterans. Like your organization, it is 100 percent accessible to them, whatever their infirmity. We must continue to eliminate the cruel barriers that prevent disabled veterans and too many other disabled Americans from leading the rich life that everyone has the right to enjoy in our very great country.

As you know, better than I, many of these barriers are physical. Your efforts and your Government's efforts to train and to rehabilitate the disabled are tragically undermined if the disabled individual cannot enter and cannot use public buildings or places of business. I am well aware of the sad fact that many things the rest of us take for granted—like a narrow doorway or a flight of stairs—can be like signs saying "Disabled Keep Out." We must work to remove those signs, and we are, and we will.

We are moving steadily toward making federally owned and federally leased buildings physically accessible to every American. A recent meeting held at the White House on the subject of architectural barriers explored this particular problem with architects, builders, engineers, and contractors. By removing physical barriers, we can also help to remove social barriers which all too frequently confront the disabled.

And as we dedicate this building, let us dedicate ourselves to protecting the freedom for which veterans gave an important part of their lives. Let us also dedicate ourselves to understanding and to responding to the special needs of the disabled veterans. A free society owes an enduring debt to those who fought to keep it free. Let us match that sacrifice with our determination that all veterans shall indeed live a life that is secure, satisfying, and truly independent.

Thank you very much.

NOTE: The President spoke at 2:37 p.m. In his opening remarks, he referred to Lyle C. Pearson, national commander of the Disabled American Veterans, Richard L. Roudebush, Administrator of Veterans Affairs, Mary Beth Schulze, national commander of the Disabled American Veterans Auxiliary, and Rev. Edward L. R. Elson, chaplain of the United States Senate.

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Remarks on Greeting a Bicentennial Delegation from Broward County, Florida. *March 4, 1976*

LET ME welcome all of you from Broward County here in the Rose Garden. I have had two wonderful trips down to Florida in the last month. I was in Broward County last Saturday. There was a little dew, but the skies opened up and the sun came out, and I can say that it was a very delightful, wonderful day.

I had the good fortune to visit Fort Lauderdale, Deerfield Beach, Hillsboro [Highland] Beach, and Coral Springs, along with some 10 other communities from West Palm south. I have to think about the geography down there, but it was a delightful Saturday and Sunday.

We are extremely happy to have you from Broward County up here to look at the White House, to visit the Capitol. I hope you will have an opportunity to see the Supreme Court. This gives all of you who are so interested in Bicentennial matters a wonderful exposure to what I think is the finest government that man has ever put together, predicated on a constitution that is unbelievable when you think that some 200 years ago 50-some individuals labored from May until September and gave to us this document that protects us individually, and

has given this country an opportunity to move ahead so successfully in the span of two centuries.

There is a quote from former President Eisenhower that I think is extremely appropriate in the circumstances we face today. The quote from Ike is that, "America is not good because it is great, but America is great because it is good."

By any standards, over a span of some two centuries, where we have gone from 13 poor, struggling colonies of about 3 million people to a nation of 50 States and 215 million Americans, it is a history that has not been matched by any other country in the history of the world.

We should be proud of it. Our forefathers have done a superb job. We have the responsibility now to do as well as they did for us. I am confident that the generations that we represent will do a great job for the generations that we see in these younger people.

I am confident—with the tools we have, both in government, the tools that we have in our free enterprise system, but more importantly, the people—that America can look to a greater and greater future in the generations ahead.

I hope you enjoy your trip, not only here in Washington but likewise have an opportunity to visit Philadelphia, Valley Forge, and other very, very historic sites and places in America's tremendous history.

I do want to congratulate the Broward County Minutemen and their spouses and all of their wonderful children. It is good to see you all.

NOTE: The President spoke at 11:43 a.m. in the Rose Garden at the White House.

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Remarks on Awarding the Congressional Medal of Honor to Four Members of the Armed Forces. *March 4, 1976*

Medal of Honor recipients and their families, distinguished Members of the Congress, Secretary Rumsfeld, Secretary Middendorf, Secretary Reed, members of the Joint Chiefs of Staff, ladies and gentlemen:

We are gathered here today to honor four Americans for exceptional military gallantry in the service of our Nation. All four of these men distinguished themselves above and beyond the call of duty. I deeply regret that one of the awards, to the late Captain Lance P. Sijan, of the United States Air Force, is posthumous. The other three, Rear Admiral James P. Stockdale, United States Navy; Colonel

George E. Day, United States Air Force; and Lieutenant Thomas R. Norris, United States Naval Reserve, are here with us today.

We confer our highest decoration upon them for their inspiring and heroic conduct. We do this in realization of the simple truth that they have helped to preserve America's future peace by demonstrating through their courage the dedication of those entrusted with our defense. Their bravery places them in the ranks of the finest of American heroes, from the present back to the year 1775, when we were forced as a nation to first take up arms to defend our liberty.

These four men served in Vietnam. The war in Vietnam is now over. But as we today confer the Medal of Honor on heroes who distinguished themselves in Vietnam, we have not forgotten others whose fate still remains unknown. We will continue on humanitarian grounds to press for a full accounting for those men, to resolve questions that keep many American families living in endless anxiety and agony.

The United States today honors four men of uncommon courage with the Medal of Honor, but we can and we must also honor these men by living up to their example of patriotism. We can do this by fulfillment of our own duty as a nation, the highest trust that we bear, the preservation of the safety and the security of the United States in a very dangerous world.

As we celebrate our Bicentennial Year, we take satisfaction in our power to preserve peace through strength. We are today the strongest nation in the world. As your President, I intend to maintain our total deterrent power. While we will do everything in our power to reduce the danger of war by diplomatic means, our policy for America's security can best be summarized in three simple words of the English language—peace through strength.

I am gratified, as all of you are, that the United States is today at peace. No Americans are in battle anywhere. We have strengthened our vital alliances that preserve peace and stability throughout the world. By maintaining unquestioned strength and resolve, we can command respect and preserve the peace.

We cannot win against the enemies of freedom, big or small, without the kind of vigilance and valor symbolized by the Medal of Honor, the highest of all this Nation's decorations. We will win by patient and persistent pursuit of defenses second to none in a world that knows that America says what it means and means what it says. By so doing, we will pay America's debt to the men that we honor today and the many, many others who served with such courage. A grateful Nation thanks its defenders for their resolve in keeping the United States of America the world's best hope of peace with freedom.

On behalf of the American people, I salute the cherished memory of Captain Sijan and the living example of Admiral Stockdale, Colonel Day, and Lieutenant Norris. You served your Nation well and have given all of us a clearer vision of a better world.

NOTE: The President spoke at 2:15 p.m. in the East Room at the White House. In his opening remarks, he referred to Secretary of Defense Donald H. Rumsfeld, Secretary of the Navy J. William Middendorf II, and Secretary of the Air Force Thomas C. Reed.

Secretary Middendorf and Secretary Reed read the citations, the texts of which are printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 328).

Mr. and Mrs. Sylvester Sijan accepted the medal on behalf of their son.

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Remarks at a Meeting To Review the Federal Energy Administration's National Energy Outlook Report. *March 4, 1976*

Mr. Vice President, members of the Cabinet, and Frank Zarb and your staff from the FEA:

In 1974—November—the Project Independence report was submitted to me. It was a sizable document with a good many recommendations to make this country, by 1985, independent of outside forces as far as energy was concerned.

In the interval, the Energy Resources Council, under Secretary Morton, with Frank Zarb as the Executive Director, undertook the various administrative as well as legislative recommendations to make us energy independent by 1985. We have made some progress. We haven't made as much as we would like. The Congress passed one piece of legislation that went part way. It should have gone further, but at least it was a start.

I am pleased to announce that the House and Senate conferees, after better than a year of consideration, have approved, at least in conference, the Elk Hills Naval Petroleum Reserve legislation which will bring about some 300,000 barrels per day in domestic production. This is a step forward, and I congratulate the Congress for acting on it.

We now have the Energy Resources Council with the new Secretary of Commerce, Elliot Richardson, as the Chairman and the responsibilities of Frank Zarb still to handle the administrative as well as legislative responsibilities.

I think we're about to move forward—I hope with the cooperation of the Congress. But this volume here, which Frank is about to discuss in at least a

synopsis, will be the national energy outlook in 1976, roughly 18 months after the Project Independence report was submitted to me.

I do want to congratulate the members of the Council. I do want to thank the staff of the FEA and the other agencies involved. The job is part way done. We've got a lot to do, but I am convinced that we can move ahead and do the job that must be done to make the United States energy independent by 1985.

Frank, do you want to proceed?

MR. ZARB. Mr. President, the book that you just referred to is the product of a lot of work over this past year. And as a result of your instructions to us of just about a year ago, after your energy program went to the Congress, we not only monitored the legislation to make sure that we gave every effort to its implementation but that we continue to keep pace with the changing energy world around us so that the policy can be modified and we can have a scorecard as to how well this Nation is doing against your goals for self-sufficiency by 1985.

If there is one simple conclusion—and it's a complicated book—but if there is one simple conclusion that sums up the material that is between those two covers, it's this: We as a nation have the capability to become self-sufficient by 1985 and, thereafter, do even better than that. Whether or not we do it is dependent upon our will to get the job done and the resources we place behind it. There are no unnatural obstacles, or there are no natural difficulties such as the absence of resources that could prevent us from accomplishing that task.

We said that a year ago in the message to the Congress; we've said it again more recently. And this study documents that once again, if we fulfill the program that we've been studying and working on for the last year, we can be energy self-sufficient.

We prepared some charts, Mr. President, that summarize some of the major conclusions. There is lots of other material in the book. But the question is, where are we going with respect to consumption in the years ahead? And I think those lines tell the story.

Our current forecast shows substantially lower consumption patterns primarily because of high prices. The industrial sector has increased its conservation considerably. We expect that with a recovering economy and a growing economy we will continue to increase our rate of growth, but rather than at a rate of 3.6 percent, it will be down at least to 2.8 percent.

And if we do some of the things which have been proposed in the conservation sector, we can improve that even further. I'll get to those measures in a minute. The important part of this chart, I think, is to point out that while there is considerable room for improvement in conservation—and it will occur—the

household and commercial sectors and transportation are the areas where we can have the most profound improvement.

Industry having already moved in that direction is well ahead of the other sectors of our economy. We are assuming here no more than the decontrol provisions that you've proposed—the 40-month decontrol of oil and the immediate deregulation of new natural gas and ultimate deregulation of old natural gas—and that's the only assumption, along with the continuation of existing world prices, increased only to the extent of inflation between now and 1990.

The question of conservation is always raised, and everybody is in favor of conservation. It's important to, I think, first find an understanding of what conservation can really achieve. It cannot provide zero growth in energy consumption in the next 10 years or 15 years. In any nation whose economy is growing and vital, conservation alone is not going to provide zero growth. And there have been those around the country that have proposed that. There is no way, in our determination, that that can occur.

The savings due to price, once again, are calculated based upon the deregulation measures that we already have proposed and the savings due to conservation measures that you have submitted to the Congress, such as building standards, investment tax credit for homeowners, the winterization program, which have all passed one House of Congress and still need to pass a second House. But the important point here is that if the Congress passes these other measures plus a few others, we can improve that 2.8 percent growth to 2.2 percent growth and achieve that much further conservation. But we're not going to bring it down to zero growth, therefore precluding the need for additional resources. And those that make that argument normally say if we conserve, we don't have to develop new resources.

The areas from which we will depend to achieve the new energy demands in the future, even assuming conservation at its best rate, demonstrate that gas, if deregulated, can be kept at the 1974 levels rather than the serious decline. We'll get more into gas in a little bit, but with deregulation of natural gas, we can keep the 1985 production level equal to that of 1974.

Oil, including the North Slope of Alaska and a very big category of enhanced recovery here on the mainland—that is going to be absolutely essential if we are going to increase our natural oil source.

Coal needs to double to an excess of a billion tons a year by 1985, as compared to the current 600 million tons a year. We'll get into that detail in a little bit.

Nuclear power must increase from the 9 percent of total electricity to some 26 percent of total electricity. In hydroelectric, we remain about constant inas-

much as we've used up most of the available sites around the country for hydropower.

The question is asked, what will we be importing? And the answer is, it depends upon what we do with what we have. If we simply move in the direction of decontrol as we've proposed, and world oil prices stay at current levels adjusted for inflation, we will move to 6 million barrels a day on a much bigger base by 1985 as compared to 14 million barrels a day. If, for example, the Congress prevents us from completing decontrol of oil within the next 39 months, if they don't go along with the deregulation of natural gas and don't permit other decontrol provisions that we were—the authority we were given to do within the last act, if the Congress stands ready to block some of those or has the authority to, if they do, we can wind up importing 14 million barrels a day as compared to the decontrol level.

Now, we can accelerate that something more with accelerated OCS beyond the category, the rate that Secretary Kleppe has already announced. If he finds that reserves are better than currently anticipated, if we are allowed to explore Naval Petroleum Reserve No. 4 and actually produce it—and that, you know, hasn't been decided in this bill—if we get your building standards measures and your investment tax credit for homeowners and that series, and that we get started with synthetic fuels, the recent fuel program and the energy independence authority, then we can actually be down to 1 million barrels a day or slightly above that by 1985.

That will take a lot of strain, but it's within our reach as a nation if we are prepared to make the sacrifices to get the job done.

Where will the new oil come from? The important calculation here—although Alaska is not a surprise to anyone; it's clear that we have to complete the pipeline and continue production. Secretary Kleppe has a good, solid plan for the production of Alaskan oil onshore and on the Outer Continental Shelf. The OCS provision there anticipates that Secretary Kleppe will be able to meet his schedule as announced, and that his calculations of existing reserves are accurate. If they are richer than that, then we'll improve that situation; if they are poorer, we will not.

The green box is really important, because that suggests that we need to do some things to improve onshore development of oil, and that means that we have to do everything possible to induce enhanced recovery.

Now, the bill passed by the Congress provides us with the authority to do that. However, they have the right to prevent it with a congressional veto. If they don't, and we provide the necessary inducements for onshore recovery,

we'll actually make up the depleting old field. And you can see what happens to the old onshore that has been depleting for some time, where it is in 1985. It simply dries up, and if we don't do something to rejuvenate the system, why, we're in trouble.

Now, Naval Petroleum Reserve [No. 4], since that chart was drawn has been passed, and that's part of that onshore development green box.

THE PRESIDENT. Frank, that's only the conference report. We do expect it, and I would think it certainly would get down to the White House sometime the latter part of this week, or surely the first of next week.

MR. ZARB. That's worth in excess of 1½ million barrels a day by 1985, and it's worth 300,000 barrels a day within the next 18 months. That's a rather important provision.

The question of natural gas, because of the current legislative battle, is a rather popular issue. I think this fairly well demonstrates what will happen. If regulations are continued, the production of natural gas domestically just drops like a rock. And you can see what happens to it.

Under deregulation—without the accelerated scenario which provides for the additional gas pipeline that you proposed to the Congress last week, and some other measures, we could take to even possibly improve the situation—deregulation will bring us back to about where we were in 1974.

But the point is, with absent deregulation that line demonstrates what will happen to that product. And it will all be made up in imported oil. And that is, of course, a very expensive way to get the job done.

We talked earlier about coal and that we needed to double our coal production over the next 10 years. And the question is, where is it going to come from? Our best analysis demonstrates that the West will increase substantially.

For the most part, the way that coal is produced is surface mining. The recent trends of less deep mining will change—and low sulfur coal from deep mines is getting to be an economic necessity if we're going to use coal—will increase so that we see surface mining in the East—and many are unstable—and deep mining increasing and surface mining in the West increasing.

I point out before you take that down, that if we are going to provide for electric growth in this country, we only can provide for it if we do it responsibly with coal, and that's what this is all about—and nuclear power—and we've talked about that earlier.

But if we don't have this coal produced and delivered to those markets, then we're going to have to produce new electricity with either nuclear power or oil,

and neither nuclear power nor coal can be eliminated from this program without making up for it with foreign oil.

We can't make up for nuclear power with more coal production in the next 10 years. We have to have both at a maximum capacity. They are not very easy questions, but as I said earlier, the solutions are within our grasp.

Bob Seamans [1] is continually asked the question, "Why don't we have a man on the Moon program in energy and get it all done and over with?" I've heard him answer that question so many times I'll answer it as he would.

If we use reasonable judgment and maximum funding in all of the major areas such as synthetics and as geothermal and solar, we will only be up to about a little over—that's the equivalent of 1 million barrels a day by 1990.

Now that might be improved some with some breakthroughs, but I think that's a reasonable judgment. And even if we were to just bury that problem in money without any regard for sensible economics, the maximum that we could produce is something close to 3 million barrels a day.

The answer here is that we're not going to, with space age tactics, solve our energy problem between now and 1990. Thereafter, it's going to be awfully important, and if the Congress approves your Energy Independence Authority, your synthetic fuels bill, then these technologies will move along and move along very nicely. If they don't, we won't even achieve that much of a result during that time period.

How are we going to do it with money? It's going to cost some $600 billion to do it in the production side alone. We anticipate an additional $200 billion that's not shown on that chart for conservation technology. But that is so intertwined in the rest of our economy that it is hard to show separately. But the point is that we are going to need the investment dollars primarily in the electric sector, but also in the oil and gas sector.

Electric utilities are going to have to have the wherewithal to make substantial commitments to energy in the future. Now, while $600 billion seems like a lot of money, it's no more in terms of the percent of total capital investment that the private sector has made in the energy area than has occurred over the last 10 or 20 years. So that, if we provide the right inducements, if deregulation provisions are allowed to occur, if the regulations at the State level are taking into consideration the needs of the future in their ratemaking, then there is going to be sufficient capital investment in this sector to get the job done.

Six hundred billion dollars is not an unreal number. On the other hand, it's

[1] Administrator, Energy Research and Development Administration.

an essential number if we're going to get this job done. I will just end on this last point. It has been proposed that if we don't increase our electricity capacity by either nuclear or coal and make this kind of investment to do it, that we can quite easily make up for it with imported oil.

Now, the cost of that in terms of paying for imported oil is fairly high. But the other point I would make is that when you look at that electric capacity need, in the event of an embargo—during those years if we travel that road—we will turn off the lights in some parts of the country.

We didn't have to face that the last time around, but as our needs expand, if we don't satisfy those needs with domestic sources, another embargo could be really catastrophic.

Mr. President, that's the overall summary.

NOTE: The President spoke at 3:05 p.m. in the Cabinet Room at the White House where he met with members of the Energy Resources Council and received the report of the Federal Energy Administration, entitled "National Energy Outlook Report."

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Remarks at a Reception Honoring Representative Elford A. Cederberg of Michigan. *March 4, 1976*

AL AND Peg, first let me say that Betty is very, very sorry she couldn't join us tonight. She really looked forward to it. She worked so hard helping me get my polls up to her polls in Florida last week that she is taking it a little easy this week. But she wanted me to express to both of you, as I am going to express—Betty and Jerry Ford not only like Al Cederberg, we love him.

Last year on my birthday, Al and Peg were over with some others to celebrate and Al and Peg brought a very unique lamp—one where you could turn it on and off by just touching the flowers that were around the lamp. Well, it was a great gift and we really, really enjoy it, but they didn't know that it blew out the fuses in the White House. [*Laughter*] Now, Al, I am not going to give you anything on your birthday that would bring about such a disaster as that. [*Laughter*]

I don't have to sell all of you on Al Cederberg. I am deeply indebted to him—he got me started in all this trouble back on January 3, 1965, when he made an impassioned plea on the floor of the House that permitted me to win by a landslide margin of 73 to 67. [*Laughter*]

But Al has been one of my dearest and closest friends for a long, long time.

And I can never repay you, Al, for all the many things that you did for me as minority leader and the things that you have done while I am President.

I just want to thank you from the bottom of my heart because I mean it, I feel it, and you just express to me, in the day-to-day actions that you take, the finest in public service.

I congratulate you and thank you, and you are darn lucky to have Peggy as a wife.

NOTE: The President spoke at 7:15 p.m. in the Crystal Room at the Sheraton-Carlton Hotel.

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Remarks at a Reception for Participants in the Legislative Conference of the National Federation of Business and Professional Women's Clubs. *March 4, 1976*

LET ME thank Mrs. Hays, Mrs. Culbreth, Mrs. Shriver, and all of you for letting me come here without Betty. [*Laughter*] She did ask that I extend her apologies for not coming. She spent 6 days down in Florida last week trying to get my polls as high as hers. [*Laughter*] And she is going out to Arizona and California next week, and she just asked me to hope that you would understand that she couldn't come so she sent a substitute on her behalf. [*Laughter*]

I do want to thank all of you for the wonderful experiences I have had going back to the days when Hazel Myers [1] and the local chapter of the Business and Professional Women used to invite me to their meetings at least once a year. And I am delighted to see some of the people that we have in the White House and the administration who are interested in and have been active in your organization—Virginia Allan, who, as you know, is the Deputy Assistant Secretary over at State for Women's Affairs [Public Affairs] and is doing a great job with the International Women's Year program, and Karen Keesling, who, of course, handles women's programs in the White House for me.

Betty did ask me to say to all of you that she will be out there in the frontline, as she has been, with all of you on behalf of ERA. She has never been very subtle, and I don't think she will be subtle in the future. [*Laughter*] But if I could add a postscript to that. I know those of you who were active in the effort a few years ago know from Martha Griffiths, one of my former colleagues in the

[1] Michigan State president of the National Federation of Business and Professional Women's Clubs 1940–41.

House of Representatives, who, without any asking by me, went over and testified before the Senate Committee on Rules on my behalf when I was nominated for Vice President, and Martha tells a story, and I will repeat it because it is from her.

In the days when we needed about 17 more individuals in the House to sign the discharge petition, Martha came over to our side of the aisle and asked if I could round up a few more signatures. Within a relatively short period of time we got those 17 and the petition came to the floor of the House and it was approved in the House and, subsequently, in the Senate. And now you need, what, four more States? So, I wish you the very best in this effort.

I know that you have had a great gathering here. I am honored to be invited and very, very pleased to have a chance to say a few words. The organization I have known for a long time, and I know the quality of people that are in your organization, whether it is in Grand Rapids or any other community throughout our country. I compliment you for the quality of the people and the kind of efforts and programs that you espouse and support. They are all good for America. And I thank you very, very much for the chance to be here tonight and to say hello.

Thank you.

NOTE: The President spoke at 7:30 p.m. at the Sheraton Park Hotel. In his opening remarks, he referred to Maxine R. Hays, national president, Jane Culbreth, president-elect, and Lucille Shriver, executive director, National Federation of Business and Professional Women's Clubs.

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Remarks at the Cornerstone Unveiling Ceremony for the Lincoln Home National Visitor's Center in Springfield, Illinois. *March 5, 1976*

Thank you very, very much, my good friend, Paul Findley. May I acknowledge my former colleagues in the House of Representatives, Congressman Michel, Congressman Railsback, Congressman Madigan and, of course, one of my outstanding members of the Cabinet, Secretary Butz, Bishop McNicholas, Mr. Banton, distinguished guests, ladies and gentlemen:

I was very interested, Paul, in the story you told about Mr. Lincoln's experiences in the great State of Michigan. I am sure the heroic efforts of Mr. Lincoln in eliminating mosquitoes in Michigan have made Michigan a better and better place to live.

It has been said that more words have been written about Abraham Lincoln than about any other American. Certainly more speeches have been made about him, especially by candidates in election campaigns. And I must confess, I have been guilty of this myself on very numerous occasions.

I do remember, however, my first visit to this house about a dozen years ago, in the company of my good friends, Paul Findley and the late Senator Everett Dirksen. Ev was about the best storyteller to come out of central Illinois since Lincoln himself.

I had just been elected, in 1965, the Republican leader of the House of Representatives. And Ev Dirksen was teaching me something about the trade, since Ev had been the Republican leader in the Senate for approximately 6 years. Frankly, I can't remember what I said about Abraham Lincoln that day in 1965, in Springfield, but I do remember the difficulty that I had in trying to put Abraham Lincoln into words.

Carl Sandburg and others have spent a whole lifetime in this effort, and almost everything there has been to say about Lincoln has been said many, many times before, and probably much better. Nobody has ever been able to capture that great spirit fully in a few sentences—even Lincoln's own eloquent sentences cannot explain Lincoln's universal appeal to human hearts.

There is a story, however, about a young family visiting the Lincoln Memorial in Washington, D.C. According to the story, the mother leans over to her little girl, who was about 4 or 5 years old, and points up to the marble statue of Lincoln in the Memorial. The mother asks, "Now you know who that is, don't you?" Quick as a flash, the child responds, "Oh, yes, he's my friend."

Whether that story is true or not, it explains a lot. Every American feels that he or she knows about Abraham Lincoln in a very personal way, as surely as Springfield neighbors did when Abraham Lincoln bid them a last farewell before taking the train to the Nation's Capital.

All along the way, people called out, called to him as Abe, sometimes Old Abe, though he was only 52. It was a term of affection just as Ike was for President Eisenhower or Ev for Senator Dirksen. The wonder is that this communion between Lincoln and the people, so evident in his own life, continues to this very, very day.

His amazing ability to communicate some of his own calm courage, his own calm compassion to his fellow countrymen across more than a century sets Abraham Lincoln apart from all the great Americans whose names we honor. Others are legends; Lincoln is real. He is especially real here in Springfield, the

hometown that shaped his political career, the capital city where his "house divided" speech struck the conscience of our entire Nation.

If we were visiting in Mount Vernon, and the ghost of George Washington suddenly appeared, I am sure that every one of us would all stand at attention until George Washington spoke first. But here, I almost expect Mr. Lincoln himself to open that door behind us and invite us in to sit a spell.

You may have heard something about the Lincoln ghost that is supposed to haunt the White House. Frankly, I'm not much of a believer in ghosts, and I've never seen any, including the Lincoln ghost, but I can tell you that the presence of Abraham Lincoln is surely there in the White House, perhaps more than that of any other President in our long and wonderful history. It is a comforting presence, gently reminding his successors that no matter how worrisome, none of their problems can be worse than those that he faced, none of their critics more cruel, none of their decisions more difficult.

I know you will appreciate how much encouragement I find myself today in Lincoln's philosophical reply to political attacks on his leadership. Lincoln told a visitor at the White House, and I quote, "If I were to try to read, much less answer, all the attacks made on me, this shop might as well be closed for any other business. I do the very best I know how—the very best I can; and I mean to keep doing so until the end. If the end brings me out all right, what is said against me won't amount to anything."

Those were Lincoln's wonderful words. Abraham Lincoln kept on doing the very best he knew how. He stuck to a steady course, and he saved the Union. What sustained him? I'll tell you—his faith in the ultimate justice of the American people.

"Is there any better or equal hope in the world?" Lincoln asked. I still believe there is no better hope. The strength and the wisdom of the American people have become the hope of free men everywhere. The great legacy of Abraham Lincoln is that the government of the people, by the people, for the people, did not perish, but endures here in these United States of America. Ours is a more perfect Union than the Founding Fathers created because of this one man. It is to Abraham Lincoln that we owe the opportunity to observe our National Bicentennial at peace among ourselves and with all nations.

Thank you very, very much.

NOTE: The President spoke at 12:10 p.m. following his tour of the Lincoln Home. In his opening remarks, he referred to Representative Paul Findley, Secretary of Agriculture Earl L. Butz, Bishop Joseph McNicholas of the Springfield diocese, and Albert W. Banton, Jr., superintendent of the Lincoln Home national historic site.

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Remarks and a Question-and-Answer Session at a Farm Forum in Springfield. *March 5, 1976*

Paul, Secretary Butz, my former colleagues in the House of Representatives, Congressman Michel, Congressman Railsback, Congressman Madigan, former Governor Ogilvie, members of Illinois farm organizations, ladies and gentlemen:

I am extremely pleased to be here in Illinois, the land of Lincoln, to meet with all of you, to respond to your questions. And I commend you and congratulate you as leaders of the various agricultural organizations in this great State.

Let's talk today about where this great corn heartland of America is headed. We have made some very solid gains in agriculture in the last 2 years, as Paul Findley pointed out. The last 3 years have been the 3 highest net farm income years in history. That is the way it should be, and that is the way it is going to be. It took hard work on your part; it took the right kind of farm policies. I want to keep that good climate going, and I know that you do as well. You and all of the farmers must have a fair return for your hard work, 365 days a year, and as far as I am concerned, you always will.

But let me take a minute to analyze or examine another area. I refer to farm surpluses and the restrictive farm programs that went with them. We no longer today have heavy farm surpluses hanging over the market. I want to keep it that way, and I think you do, too. We must sell grain, not pile it up in storage. That is the program of this administration.

We don't have an administration in Washington dumping surpluses to force down the farm price and force you to sign up to some government-controlled farm programs, and we don't want one of that kind. The Nation's grain reserves are now in your own hands. Today, you who raise the grain can decide the best time to sell, and you are.

I think you ought to know what I am for and what I am against in some other matters. I am firmly opposed to the Government holding your reserves in a Government bin or in a Government warehouse. I am firmly against the policies that would have farmers producing again for a Government storage bin and a Government check.

I am firmly opposed to a Government board selling your exports. I want our export trade to stay in private hands. I am firmly opposed to any international reserve that would put your farm products under the control of an international body where this country could be outvoted 50 to 1 or even by 100 to 1.

I am firmly opposed to subsidized imports. I don't want our American farmers competing against the treasuries of foreign governments.

Let's talk for a minute about agricultural exports in the record of this administration. We exported a record $21,600 million in agricultural products last year. Nearly $2 billion of that came from Illinois. That just did not happen. We worked at it. You know what those exports mean to your farms, to your ability to plant and produce, to your income, and to your family's well-being. It is good for you, it is good for Illinois, and it is good for the country generally.

But let's look at another accomplishment. We are selling the Soviet Union $2 billion, or more I should add, in farm products from the 1975 crop. That is a record, a record compiled during this administration, and it is only the beginning of continued exports to the Soviet Union.

Let me add, farm exports will not be a pawn of international politics. We want our agricultural production to promote trade and help keep the peace. We want to keep your boys on the farms and send your bushels overseas and at good terms of trade. I oppose policies which would keep your bushels at home and send your boys overseas.

Last fall, as you know, we exercised a temporary restraint on grain sales to the Soviet Union. Today, I would like to review that situation for you.

At that time, we had already sold the Russians about 10 million tons of grain. Facilities to transport the grain and the Russian capability to handle incoming shipments were already committed at capacity for months to come. If we had sold the Russians one more bushel of corn or wheat at that time, it could not have moved for months. We were then in the midst of negotiations with the Soviet Government on long term sales of our wheat and corn.

Although we welcome the Russians as customers, I don't think they should come into our market only when it suits them. I insisted on a long term grain sales agreement with the Soviet Union. That is why there was a temporary halt in sales while we put the finishing touches on that agreement. As soon as we got the agreement that we wanted, I ordered the temporary halt lifted. Since then, the Russians have come to us for another 3 million tons. As we have said before, we remain ready to sell them more this year if they want it.

That is where we stand on farm exports, but better yet, because of the agreement we concluded, you are going to have a regular customer, a regular market in Russia for no less than 6 million tons of corn and wheat each year, and maybe much more, from 1976 through 1980. That is a good deal for the American farmer and for the Nation.

Let me emphasize, however, this is only a part of our policy of strengthening our agricultural export trade. Farm exports thus far in the 1970's will total 2½ times more than in the same period in the 1960's.

In addition to the $2 billion in sales to the Soviet Union this fiscal year, we expect to sell $6,800 million to Western European nations; $3,200 million to Japan alone, and $1,200 million to Eastern Europe.

I think we can all be proud of that record.

I am proud, too, of our Secretary of Agriculture, my very good friend, Earl Butz. I am today asking the Secretary to assume a new and very vital role in the strengthening of America's agricultural policymaking within the executive branch of our Government. The Secretary will be the Chairman of a new Cabinet-level Agricultural Policy Committee [1] that I have created. This committee will consolidate all agricultural policymaking functions of the existing executive branch committees. It will have the central and vital role in the development and the direction of our Nation's food policies.

This new committee and its leadership reasserts the importance that I attach to Secretary Butz as my chief agricultural policy adviser and spokesman. I am positive, I am absolutely confident that this bolstering of agricultural policy within the executive branch will benefit the farmers of Illinois and the entire United States.

I congratulate you, Earl, on your new responsibilities. Just as we are more effectively utilizing the energy of Earl Butz, and he has lots of it, we look to the availability of energy in general as the key to modern farming.

In American agriculture, machines greatly multiply the efforts of men. You need plentiful supplies of petroleum and natural gas. U.S. production of natural gas peaked in 1973 and has been declining ever since. This has very serious implications from the point of view of agriculture. As farmers, you know it better than I. You need natural gas for drying your crops. You need it as the primary source for nitrogen fertilizers that put dollars in your pockets and food on everyone's table.

Yet, today, that crucial supply of natural gas in the United States is being choked off by outmoded price regulations and restrictions on the interstate shipment of natural gas. And the whole problem, let's be very frank, is bad legislation. As President, I am determined to rectify that situation. But I need the help of the Congress to change this bad legislation, these restrictive laws. And I ask

[1] See Item 200.

your support, as farmers and as members of farm organizations, to help me to remove this obstacle to increased American productivity.

Quite frankly, I am as proud as you, and I know how proud you are, that there is now more confidence in rural areas, that more young people are coming into agriculture, that the enrollments in our agricultural colleges are running at an alltime high.

All citizens are concerned about estate taxes but this is a particular problem for farmers whose savings are tied up in farmland. The value of an average farm throughout the country today is now about $200,000. To prevent the forced sale of family farms to meet inheritance taxes, I previously proposed a plan to defer estate tax payments at greatly reduced interest rates over a 25-year period. If adopted, this plan would have provided substantial relief.

But an additional problem must be solved. While the value of the dollar has eroded, our system of estate tax law has changed very, very little since 1930 or 1934. To ease the burden of estate taxes on many Americans with modest estates, I am proposing an increase of the present $60,000 estate tax exemption to $150,000.

The Treasury Department will present the full details of this proposal to the Congress later this month. Along with my tax deferral proposal, this exemption increase should help owners of family farms and small businesses to hand them down from generation to generation without the forced liquidation which today happens all too frequently.

I want to maintain the continuity of our family farms. Too much love and too much labor go into the development of a paying farm to dismantle it with every new generation.

Let us never forget that American farmers must profit if America is to profit. There must also be enough income for each of you to replace machinery, to conserve and enrich the soil, to adopt new techniques, and to buy essential supplies. That is what keeps the American economy going.

Some nations with other economic and political philosophies have virtually the same tractors, the same combines that each of you use, but those nations do not have the greatest piece of farm machinery ever built—the free enterprise system.

We have turned things around in rural America and we must keep it that way. We have more to do and I want to work with you to get it done. I fought hard, as my friends in the Congress know, to cut Government spending, to curb inflation, and to maintain a sound economy. This fight can only succeed if our farming economy also succeeds.

America's heritage was created by our farmers. The time has come for all Americans to join you, the farmers, in recultivating America's old and cherished values, including our rededication to the highest moral and spiritual values. You, the farmers of America, took the challenge some 200 years ago. In the words of Ralph Waldo Emerson, describing the heroic stand at Concord Bridge in 1775 said, ". . . the embattled farmers stood, And fired the shot heard round the world."

Today, the farmer is still embattled. Today's telling shots are not from guns but from grain; not from pistols but from productivity. The Minuteman of 1976 is the man who drives the tractors in your fields. Two hundred years have passed, but you remain central to America's future and to America's freedom.

Thank you very much.

I look forward to the questions and answers.

Q. Mr. President, I want to compliment you, first, on your appointment of Secretary Butz to this committee. I think we, as farmers, will be very pleased to think the Secretary now might have some of your administration at elbow length, perhaps, instead of arms length.

I am also very pleased with your comment relative to exports, but I hasten to add that I think farmers are still very apprehensive about 1976 as they again approach all-out production. And we are wondering what concrete assurances you can give farmers that they could believe the administration in saying that again you might not impose some type of export restrictions?

THE PRESIDENT. Now that we have developed firm and certain relationships, not only with Japan and with some of the Eastern European countries, the Soviet Union and elsewhere, I would say that the likelihood of any limitation on exports is virtually nil.

But I have to be honest and frank with you. I just don't believe in kidding people. I can't say never, under no circumstances. I think any responsible President has to have an option, if he has to face a catastrophe of some kind. But as I said a moment ago, the likelihood is virtually nil of any limitation of exports in 1976.

Q. I'm from the National Farmers Organization. Our members would like to welcome you to this greatest of all agricultural States. My prime concern is not at this point will I be able to leave my family farm to my heirs but will I be able to keep it that long. We believe that there are unfair tax advantages by corporations and that they move into agriculture. I have an opportunity to work with a coalition group, and there is in the Judiciary Committee a family farm act

that would limit corporate holdings in agriculture. I wonder if you would support this type of legislation.

THE PRESIDENT. It is not legislation that has been very widely advertised. I have heard just the title. I know nothing of the details and to make any commitment to a piece of legislation only knowing the title, I think, would be irresponsible. I like to read the fine print before I say yes or no to something and until I have, I cannot, in all honesty, give you a categorical answer. I want the family farm to be run by the farmer who owns it and lives on it, but to make a sweeping generalization, I don't think is the proper role for me at this time knowing only what the title says.

Q. I would like very much to compliment you on your recent, just now announcement of something that will alleviate a very serious problem and that is the estate tax inheritance problem. My question has to do with imports. Due to the fact that Indonesia is the second largest exporter of palm oil in the world and since in the past year they have tripled their exports of palm oil into this country completely duty-free, have increased the amount they have shipped into our country from 250 million pounds to 750 million pounds—which has, we think, largely contributed to the decline of soybean oil prices from 43 cents a pound to 16 cents a pound—why then, Mr. President, has the U.S. just approved an $11.3 million loan through the World Bank to Indonesia to help them increase still further their production?

THE PRESIDENT. I first think you have to understand the United States does not control the World Bank. We have an interest in it. We are participants. But that is an organization that is separate and distinct from the U.S. Government.

I fully recognize the problem that you have raised. It is a serious one. It is a matter that is being carefully considered at the very highest level in the executive branch of the Federal Government, and I can assure you that this review and this analysis will be completed in a relatively short period of time, and we will make a specific recommendation.

But this is the responsibility of the new committee that I have just announced, but the review has been going on for a month at least, to my knowledge, and I can assure you that it will get the top consideration by Secretary Butz and his associates.

Q. Mr. President, I was very pleased when you said you would not use food as a pawn, but I am very concerned about the fact that how are you, as the chief administrator of our country, going to be able to resist the pressures that I feel will build up over the years to use food to help develop foreign policy?

THE PRESIDENT. Well, I admit there are a number of people in political life—and some of them are candidates for the Presidency—who have indicated that they would use food to try to change a social system in another country and in the process would stop exporting and in the process would have you store your grain rather than sell it, and would create, as a result, a great overhang of food in this country which would depress your prices and add to the taxpayers' burden. I categorically disagree with the person or persons who advocate that policy. I think it is wrong, and this President will never, as I said in my speech to the Farm Bureau in St. Louis, use our exports to implement or to be a pawn for international politics.

Q. Mr. President, we have heard your fine comments about agriculture. My question is, does the President feel that due to the high cost of operation on the farm, can the President and his staff keep farming prosperous in the future?

THE PRESIDENT. I am absolutely convinced of that. The best way to keep the farmer prosperous is to have a prosperous America generally. We have gone through, in the last 12 to 18 months, a very serious economic recession in the United States. Eighteen months ago we had inflation of 12 percent or more. We were faced with energy problems that were almost insurmountable with the embargo. We had growing unemployment. We had decreasing employment. But because we had a steady, responsible overall economic plan for recovery, we are now coming out of this recession in a very effective way.

We got some good news again this morning. We have been getting it for about 4 or 5 Fridays in a row. The information this morning showed that again we had an increase in employment, a decrease in unemployment. This follows 2 or 3 months of improving economic conditions. I am convinced that if we continue the good, sound policies we have today for the rejuvenation of our economy as a whole, that farmers in the future will benefit just as other segments of our society. I am an optimist about America economically and otherwise, and I think all of you are as well.

Q. Mr. President, I represent the Country Grain Elevator Industry in Illinois through the Grain and Feed Association of Illinois. We feel the effects of OSHA and the EPA, and we feel there is a veritable flood of paperwork coming down on people who are in small business in Illinois. Do you feel that there is any possibility of lessening this tremendous flow of paper from Washington so we might do a better job for these farmers here?

THE PRESIDENT. About a year ago I asked how many forms Americans had to fill out that come from the Federal Government, and I was told there were 5,200 and something. I could not believe it. I verified it. I said it had to change,

and we have a requirement that they must be cut by at least 10 percent from the time that I found out about it about a year ago.

Let me add something as to how we are doing it. We are going to have, or we have right now, as a matter of fact, task forces that go into every department. And they make every department pull out all the forms that have to be filled out, and they ask the people from those departments why, in each case. And if they can't justify them, there won't be another one of those forms printed and sent to you and to others.

It is a terrible problem. It wastes money. It wastes your time, and it accomplishes virtually nothing. So, we are in the process of trying to do precisely what you are talking about.

Let me say a word about OSHA. It got off the ground about 4 or 5 years ago, when Congress passed the legislation. The legislation is very rigid, and all of us in the executive branch are only carrying out what Congress passed. Now, unfortunately, to compound the problem, the first group of inspectors that went out to carry out the responsibility under law felt that they had some police powers, which they don't have, and they got off on the wrong foot. And we are now in the process of making certain that those people who were carrying out the law come to your elevator or to anybody's factory with the point of view that they want to help and not come in trying to beat somebody down.

We are going to make darn sure that they have the right attitude and not the wrong attitude. In the meantime, I think the Congress ought to take a look at some parts of that law because we are simply carrying out what Congress passed.

Q. Mr. President, I am from southwestern Illinois, the great territory of Representative Findley, our good Congressman.

THE PRESIDENT. He is a darn good one, but you have some other good ones down here, too. [*Laughter*]

Q. I realize that, but he happens to be from our district. [*Laughter*]

THE PRESIDENT. You look after him.

Q. We will keep him on his toes. Thank you, sir.

I am also pleased to hear that you have appointed Secretary Butz on this most important and vital committee. And when somebody mentioned here before that he should be at elbow's length, I think the vast majority in this audience would agree to that fact because almost all farmers, I am certain, have a lot of trust in Secretary Butz.

THE PRESIDENT. So do I.

Q. I have a two-part question, Mr. President. What is your position on replacement of Lock and Dam 26 at Alton, Illinois? [*Laughter*] If that lock and dam is not replaced——

THE PRESIDENT. Isn't that enough? [*Laughter*]

Q. If that lock and dam is not replaced, how will Illinois farmers get their 4,400,000 bushels of grain to the gulf ports for export that went through Lock and Dam 26 in the year 1974 and 1975? And how would vital materials like coal and crude be transported up the river if Lock and Dam 26 becomes inoperative? Mr. President, I am sure there is going to be legislation come before your desk in the not too near future because we are working strong for that, and we would like to know your position.

THE PRESIDENT. The problem of Lock and Dam 26 is one that I have looked into because I was down in St. Louis with the Farm Bureau a month or two ago, and as I understand the facts that particular lock and dam is way overage and is incapable of meeting the current traffic.

On the other hand, there are individuals or organizations that allege that if a new dam is built, it will have serious environmental impact. There is a struggle going on within the departments. The Corps of Engineers are in the process of, as I understand it, updating the necessary impact statements. As I understand it, the larger dam, according to the Corps of Engineers, is already authorized. It does not have to come in special legislation. Am I correct on that? That is my understanding. So, it is really a decision that has to be made in the first place by the Corps of Engineers. They have to recommend whatever should be done, and that recommendation will come to me. They have not finalized their answer, and for me to tell them today what they ought to do when they have a responsibility under the law to take a look at the contending forces, I think would be wrong, in my position. I am pretty well informed on it, but I am going to let the Corps of Engineers make their recommendations and then I will make the decision after that.

Q. Mr. President, I am representing Illinois pork producers. We want to join in welcoming you to central Illinois and the land of Lincoln. The area I want you to touch on, Mr. President, is the area of our Nation's animal agriculture. We feel that if we are going to compete and efficiently supply high quality protein to this country and the world, there is a need for more animal research funds within the Department of Agriculture and also the experiment station.

Our question is in two parts, also. One, have you reviewed and studied your reasons for vetoing the animal research bill of 1975, sponsored by Congressman Melcher?

THE PRESIDENT. If my memory is correct, I increased the research funds for the Department of Agriculture in fiscal year 1977. I have just been verified by the Secretary. My memory was that we had. As a matter of fact, I increased research and development funds for the Government as a whole by better than 10 percent in the budget that I submitted to the Congress for 1977.

Now, as I understand, as I recollect the veto of that bill, it would have established another categorical grant program in the Department of Agriculture when they already had the authority to do what that bill proposed that they do. Is that correct? That is my recollection. That took place about a year ago, as I recall. And because we did not need the authority, I saw no reason to put another law on the statute books. The authority is there. We added to the money for the reasons that you have indicated, and I am sure that the Department of Agriculture, under the Secretary, will spend it wisely. I don't think we needed any additional authority for that purpose.

Q. We certainly support the concept of a tight control on government expenditures, along with many other people sharing this concern. But we do solicit your support in adequate funding in the years ahead for animal agriculture in particular.

THE PRESIDENT. Well, as I said, we increased the money for next year in research. I strongly agree with you, not only in agriculture but elsewhere, that the future of this country depends, yes, on the work you and I do on a day-to-day basis, but more importantly on the results of research by scientists who are working today on those problems.

Q. Mr. President, I think you will like my first name. It is Gerald. [*Laughter*]

THE PRESIDENT. Are you saying the question won't be as friendly? [*Laughter*]

Q. I feel I have to put in a plug for a fine young Congressman, I think one of the glowing lights in Republicanism. That is Ed Madigan. I come from his district.

THE PRESIDENT. I agree. Stand up, Ed.

Q. Down to the serious business. As I look over my 1975 record—and I am just a farmer and I am darn proud to be one—I see something happened to us, and I would like to maybe get your ideas on what it was. Was it the embargo? Was it the boycott? Was it the Russian grain deal? And do you think that the Russian grain deal will prove profitable to American farmers in the years to come?

THE PRESIDENT. Let me answer the last question first. I am absolutely certain that the guarantee of a minimum of 6 million tons a year sale to the Soviet Union with the possibility of increased sales over that figure will be beneficial to the

American farmer. There is no question in my mind, because if you look at the sales record for the last 5 or 6 years, some years it was way down here, the next year it was up here, then it was down here, then it was up. There was no certain market. They could come and go as they pleased, and now you have not only the 6 million tons but you have a greater potential. You have a guarantee of that much, and when you look at what we are going to be selling, as we have in the past, to Poland, to Japan, to other Eastern European countries, and Western European countries, I am an optimist as far as the American farmer is concerned.

And I recognize that there were some declines in the prices of grain from 6 or 8 months ago, but I also am an optimist because I look at future prices. Soybeans for next year's crop are 19 cents higher than the ones for the current crop. Corn is 2 cents higher. Wheat is about 12 cents higher. I should think that would convince farmers that 1976 is going to be a darn good year. And I am convinced the years after that will be equally optimistic.

Q. I am a farmer in western Illinois. I am also associated with a number of farmer cooperatives. Along with many other farmers and farm leaders, I am becoming increasingly concerned with the rather frequent flow of statements and innuendoes from the administration and departments of the executive branch—primarily the Federal Trade Commission and Department of Justice and others—that farmer marketing cooperatives are either monopolistic or otherwise somehow responsible for the high food prices.

The facts are that marketing cooperatives have been an essential tool for the orderly marketing of our farm production to the benefit of their farmer owners, and at the same time these cooperatives, these marketing cooperatives, along with many others, have been a competitive influence to the great benefit of consumers.

My question, Mr. President, is this. If reelected, do you feel that you can give strong support to farmer cooperatives?

THE PRESIDENT. I think my record in the Congress and my personal record as President indicates a strong support for farmer cooperatives. The Federal Trade Commission is going to have a new Chairman. At least I have submitted his name to the United States Senate for consideration. He comes from Illinois. He is the son of a former good Republican Congressman from here. His name is Cal Collier. I think you will find in Cal Collier, as the Chairman of that Commission, a very proper understanding of the role of marketing cooperatives. I can't prejudge in every detail, but if he is as good as his old man, he will make a darn good Chairman of the Federal Trade Commission.

Q. Mr. President, I am from northern Illinois. I would like to commend you on your estate tax plan by increasing the deduction to $150,000. What can we, as

farmers, do to assist you in making your plan become a law real soon, and I mean real soon. [*Laughter*] Not that I am planning on leaving here. [*Laughter*]

THE PRESIDENT. The place such legislation starts is in the House Committee on Ways and Means, the taxation committee. That committee is under the chairmanship of a Congressman from Oregon, but there are several from the State of Illinois on that committee—Danny Rostenkowski of Chicago, Phil Crane, and Ab Mikva of the area around Chicago.

If I were you or if I could get your organizations I would just go pound on their office door. Because if you don't get it out of the committee, as all of these good Congressmen know, you are not going to get it on the floor for consideration, and if you don't get it started in the House, you can't get it started in the Senate. So, the place to start is right with the three or four Congressmen from the State of Illinois who are on this committee and just get your organization, get yourself. It is a good plan. I think there is a lot of sympathy for it in that committee and in the Congress, but that is where you start. And I think it will have an impact, and I think you are the kind of a guy that will start it. [*Laughter*]

Q. Mr. President, I am from Mr. Railsback's congressional district. I am a livestock producer and I would like to speak today as a member of the Illinois Livestock Association. We wholeheartedly applaud and support both the specific content and the entire tone of your address today. We are very thankful for your approach.

I would like to call your attention to and ask your support for Section 206(b) of House bill 8410 currently in the House Agricultural Committee dealing with payment assurances for livestock. Essentially, this section, by providing what might be called a prior lien to the extent of the value of livestock sold to the farmer feeder, would provide a good deal of protection in case of packer insolvency, and all this without adding one man to the Federal bureaucracy.

THE PRESIDENT. I have talked to the Secretary of Agriculture about that. This matter was called to my attention out in Iowa about a year ago, as I recall. I came back and talked to the Secretary. I promised the people in Iowa that we would take another look at the administration's viewpoint, and we have decided that we will support that—I can't say that is the precise provision, but it sound like the provision—that would give the seller a protection against the insolvency of a meatpacking organization.

Q. Mr. President, I am a farmer here in Morgan County and also on the County Board. And I would like to express our appreciation to be able to have

our President in our midst here and to speak to you personally. I consider this quite an honor.

Being a farmer all my lifetime, I have noticed—and I am sure many others have, too—that when the cattle market or hog market is good, the grain boys suffer, and when the grain market is good, the cattle and hog boys suffer. We live off each other.

THE PRESIDENT. Where does that leave me? [*Laughter*]

Q. We feel like we both deserve a profit.

THE PRESIDENT. Excuse me. Go ahead.

Q. That is it. [*Laughter*] We feel like we both deserve a profit. When one makes money, the other loses. We are living off each other.

THE PRESIDENT. What we want—and I don't say this with any feeling that I am just saying words and it can't be done—I am not as pessimistic as you are that we have to go through this yo-yo operation that you described. It seems to me that we can have a prosperous agriculture pretty much across the board. Now, that does not mean there won't be some erratic movements from time to time between the two groups that you described. But I think over a 5-year period we will have—and we are certainly going to try to have—both elements prosperous in America.

Q. President Ford, I am from Coles County, a farmer and livestock man. I would like to say thank you for Secretary Butz. I am director of the Illinois Corn Growers Association, and we think he has certainly spoken out for us, and we have a much better image as farmers. And he tells it as it is, as they say.

My question would be, what about our grain export, grain inspection down at New Orleans? What are you thinking of doing to correct this situation? We produce some mighty fine corn here in Illinois and we run it through our cleaners and our combines and screen it and then we get it down there in New Orleans and they dump trash in it. So, what are you thinking about doing down there?

THE PRESIDENT. First, let me say I never saw anybody from Indiana who got people from Illinois and Michigan to praise him as much as we have Earl Butz here today. [*Laughter*] He must be a pretty good man.

Q. He certainly is.

THE PRESIDENT. Under the present law, the Department of Agriculture does not have the specific authority to go in there and perform the inspection itself. These grain scandals in New Orleans have been indefensible. As I recall, there have been 70-some indictments, 50-some convictions. Almost every day it seems

like there have been some convictions. Obviously, something has to be done to change a system that has rotted as that one has.

Now, we have a proposal before the Congress. There are several other proposals that have come from Members of Congress. The Committee on Agriculture is having a meeting—next week is it? The bill, according to Paul and the Secretary, is being marked up today. There are any one of several options. We think the one that the Secretary proposed is the best, but, obviously, we cannot tolerate the condition that exists down there at the present time. And if the Congress sends me a good bill that will change the bad law we now have, I will darn soon sign it.

Q. Mr. President, I have a small farm in Menard County, and I am interested in keeping it in my family. Is there consideration given to actual income worth of property rather than our spiraling inflation values for this base of inheritance tax? There is certainly a difference.

THE PRESIDENT. Would you state that again, please?

Q. Are they considering using the actual income worth of the crop off the land rather than spiraling inflationary real estate sales for evaluation of property?

THE PRESIDENT. Well, I had always assumed that the value of the property related to the productivity of a particular piece of property as far as the establishment of the value for inheritance or estate tax purposes.

Q. For instance, a piece of property has just sold for $3,000 an acre within about 12 miles of Springfield, 80 acres. There is no way that you can have an income of $3,000 an acre from that land. There is no way that a woman who has 250 acres valued today by the appraiser for her inheritance tax at $520,000, and owning $75,000 worth of machinery and $40,000 worth of insurance can pay $172,000 worth of inheritance tax, plus $20,000 to an attorney. This is an actual case I am interested in.

THE PRESIDENT. It seems to me that someone like yourself or a person representing that viewpoint and that practical problem ought to go down and testify before the House Committee on Ways and Means and lay it out to them.

Q. I would be delighted to.

Q. Mr. President, I am a farmer here in Sangamon County. Would you expand a little on the reason for the appointment of Secretary Butz to the new position. And does this mean that there is a possibility of someone other than the Secretary of Agriculture assuming this task at some future time?

THE PRESIDENT. The Secretary of Agriculture was put in charge of this committee because we are in the process of reorganizing the internal administration of the West Wing in the White House. And I have felt that this particular sub-

ject was so vital that we ought to take it out from underneath the coverage of what we call the Economic Policy Board where it was. And so it has been hauled out of the Economic Policy Board and made a separate economic policy committee as far as food is concerned. As far as I am concerned, the Secretary of Agriculture, as long as he stays with me and as long as I am President, will be chairman of that group.

Q. Mr. President, I am presently a college student, and I am studying business administration. I would like to know what the Federal Government is going to do to reduce spending because if we, the people of this United States, ran our businesses like the Federal Government does, we would be broke.

THE PRESIDENT. I could not agree with you more. And let me illustrate what I am trying to do and I think all of these Members of Congress here are trying to do. But I can just tell you what I did in the preparation of the budget for the next fiscal year. In putting the Federal budget together for the next fiscal year, I found this to be the case. If we did not change the law, we would have a $50 billion increase in Federal spending in a 12-month period.

It would have gone from roughly $370 billion for the current fiscal year to $420-some billion in the next fiscal year. That is without a new law or without any change in existing law, just because of cost escalations.

We have had about an 11-percent increase in Federal spending each year for the last 10 years. The net result is Federal spending has escalated, skyrocketed. So, in the preparation of the budget for the next fiscal year, I said we had to cut that increase in Federal spending by about half. And so I submitted, instead of a $420-some billion budget for next year in expenditures, a budget of $394.2 billion. That is still an increase, but it is half of the increase that was expected if no laws were changed.

I think we are making some headway, some progress. I have vetoed 46 bills, most of them spending bills; 39 of them have been sustained with the help of the Congressmen here. We have saved $13 billion by those vetoes. We would have $13 billion more spending if I had not vetoed that legislation.

Q. Mr. President, I am a horse farmer in disguise.

THE PRESIDENT. Somebody just said you looked like a cattle marauder. [*Laughter*]

Q. I thought about putting my hands up here and looking like Napoleon.

Mr. President, I would like to compliment Paul Findley on bringing you here, and more than that, I would like to compliment you on being so well versed on agriculture's problems. This comes as a complete surprise to most of us. [*Laughter*]

THE PRESIDENT. Just a little old straight talk. [*Laughter*]

Q. I think the exciting thing is that you are here. At your recent news conference at which you brought in and identified Mr. Bush as the head of your new organization, I know that you had some reporters who questioned your ability in selecting a man who apparently did not have that kind of background. I would like to compliment you on having enough guts to select an American to do some jobs and find out that they can do it, and he will do it, I am certain. I have a suggestion, and then I have a question.

My suggestion is, in that same news conference somebody asked you about when the price of food was coming down, and we got the same old historic answer. "Well, you know, agricultural prices are going down so the commodity index is down." Why don't we just tell the people that agriculture has to have a living wage and that our big culprit is the cost of fuel, which drives up the cost of tires? That brings me to my question.

What is the possibility of gasahol plants throughout the Corn Belt to produce alcohol to mix with oil? They tell me, people—I am not an oil expert—they tell me alcohol added at the rate of 10 percent is competitive now with oil and it produces such an efficient and nonpolluting type fuel that it also improves the corn marketing situation. And we don't care at all if we can make it in alcohol.

THE PRESIDENT. After you have been so kind about how much I know, this is one question I can't answer. [*Laughter*]

Q. Thank you very much.

Q. Mr. President, I am here representing the Illinois Department of Agriculture, but probably more importantly I am a Rock Island County farmer, which happens to be Tom Railsback's area, and I would like to recognize Tom.

THE PRESIDENT. Let me say Tom and Ed and Bob Michel, as well as Paul, I think are the cream of the crop in the House of Representatives.

Q. We at the department receive numerous calls expressing concern that the agricultural community is not well represented at decisionmaking sessions regarding EPA and pollution control board regulations. Would you care to address yourself to what seems to us to be a problem in this regard?

THE PRESIDENT. The EPA was set up with a high degree of autonomy. I have to agree to that. It was established during a period about 3 to 4 years ago when there was this great rush to resolve all the past evils of pollution in a period of a couple of years. So, bureaucracy being what it is, and with the authority they have had, I think they have gone too far in some cases, although I think there is a better understanding today.

Russ Train [2] is getting a better input, a broader input, and some of the things that were done several years ago are being reviewed, and there have been some modifications. I can assure you that with the changed climate—and I think there has been—I think you will find that some of the future decisions of the EPA will be with a broader viewpoint. At least that is what I hope takes place, and I think it will take place.

Q. I could make a short statement. You spoke of the task forces. I recently had the opportunity to review the list of task forces helping EPA. I failed to find a task force in regard to the production of food.

THE PRESIDENT. We will look into that and see why not. I can't understand why not.

Q. Thank you.

THE PRESIDENT. Thank you all very, very much. I have enjoyed it.

NOTE: The President spoke at 2:05 p.m. in the Plaza Room at the Forum 30 Hotel. In his opening remarks, he referred to Representative Paul Findley and Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee.

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Remarks in Springfield to Illinois Teachers of Children With Impaired Hearing. *March 5, 1976*

IT IS really great to see you all. I want to apologize on the one hand and thank you on the other. It is my understanding that this great group that helps handicapped children try to become active participants in the mainstream of our American society had the contract for or the right to use this room next door, and then some guy from Washington threw them out. [*Laughter*] So, you were gracious and kind enough to take this room in place of the other, and for that I thank you all very, very much.

I was trying to think about something that might be appropriate, and I probably should tell you the experience Betty and I had a couple or 3 weeks ago. She has always been extremely interested in problems of the handicapped. She worked at several of the clinics at home, and she has continued that work down in Washington.

She is down in Florida trying to help me get my polls up to her polls. But the point is, we were up in New Hampshire and we stopped by this wonderful rehabilitation center. And, of course, there were those who had severe injuries

[2] Administrator of the Environmental Protection Agency.

to their limbs and there were those who had other serious injuries, disabilities, and they had many young people who were in the process of getting very initial instructions in how to become active participants in the mainstream of our society.

The group that appealed to me the most was the group of young tots, boys and girls who were deaf—and several could not hear or see. And the young people who were 25 or thereabouts of age were trying to take these young boys and girls and get them to understand and see or to hear by a wide variety of techniques that are used.

I came away with a feeling that we ought to make as big an investment as we possibly could in helping those young people, not only the group that I mentioned specifically but others.

So, I just thank you for the jobs all of you do, because I know that all of you do what we have seen at home or Betty has seen in Washington or we saw in New Hampshire. You make a great contribution to a better life and opportunity for people who have misfortunes of one kind or another.

Thank you very, very much.

NOTE: The President spoke at 3:10 p.m. in the Apollo Room at the Forum 30 Hotel to the teachers attending a convention at the hotel.

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Remarks at a President Ford Committee Reception in Springfield. *March 5, 1976*

FIRST, I want to thank all of you for coming and the help and assistance not only with the fundraising but also with the support that you give otherwise. I'm absolutely convinced we have the momentum going.

We had a rather close race up in New Hampshire, but we came from behind and we prevailed. We had a good victory in Massachusetts. I didn't spend any time up there, but we had a good organization. And, of course, we entered in Vermont and our opponent didn't, so we came out of that in good shape. I have been down to Florida twice, and the momentum has turned around. And even the campaign manager for the opposition, who originally said they were going to win by 2 to 1, has conceded that it was 55 percent and 45 percent, so we made a 12-point gain almost overnight.

But, then, I think the momentum is even going better than that. At the present time, it is neck and neck. But I'm certain that with our people, with the mo-

mentum we have—I'm optimistic about what is going to happen in Florida, and as I hear about what Dick Ogilvie [1] and the others have done here with the help of you—that Illinois can be a good strong State for us in Kansas City.

The point that we're trying to make is that we have some proven policies.

I think, domestically, we've done extremely well in the last month or 6 weeks. We had a very tough time there, as all of you recognize, about a year ago, but we didn't lose our cool; we didn't panic.

We took our lumps. We got some strong help in the Congress. I was saying downstairs, we vetoed, I think, 46 bills; 39 of them have been sustained. But if you add up what has been saved with those vetoes, $13 billion—and that's $13 billion less deficit, less borrowing by the Federal Government—I think that has had an impact in preventing crowding out as far as the capital markets are concerned. It has given confidence to the American people.

We had some additional good news this morning. Unemployment dropped from 7.8 to 7.6, which proved that last month's reduction in unemployment was not a fluke, but it was for real. We had another 125,000 go on the employment rolls.

It's interesting that we have now regained every lost job from the depth of the recession. Now our problem is to continue the gains so that the new people entering the labor market—and about 2 million of them a year do enter the labor market—we're all convinced that with the programs we have, unemployment is going to continue to go down.

Alan Greenspan,[2] yesterday, in being interviewed by some of the top reporters in Washington, was very optimistic that our forecasts that we included in the budget were being exceeded. And if we get some more healthy good signs—which I am confident will be the case—we will have to, perhaps, revise our estimates for fiscal year 1977. For the benefit of the press, I'm not telling you that we're going to—[*laughter*]—but if plans continue, I think with our policy of frankness and honesty, we'll have to take another look at it.

But it just looks very encouraging politically, economically. And I feel that our international policies are achieving results through strength, and we're going to keep that strength up there. Any comments to the contrary—we are second to none. We do have the necessary strength to reassure our allies and to convince any adversaries that we can negotiate from strength, not from weakness.

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[1] Chairman of the Illinois President Ford Committee.

[2] Chairman of the Council of Economic Advisers.

So, I'm an optimist about '76 and the next 4 years, and so I hope we can justify your faith in us.

Thank you very, very much.

NOTE: The President spoke at 3:45 p.m. at the Forum 30 Hotel.

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Exchange With Reporters on Arrival at Peoria, Illinois. *March 5, 1976*

IT IS great to be in Peoria. I have been here a number of times. In fact, Bob Michel reminded me of the time, quite a few years ago—I won't tell you how long, but it was a great occasion, and it's nice to be back in 1976.

REPORTER. What is your current stand on the right-to-life amendment in the Constitution?

THE PRESIDENT. My stand today is the same as it has been for some time. I think the Supreme Court went too far. I think the amendment that bans all abortion goes too far. I think that there is a reasonable and responsible middle ground, and that's the position that I take.

Q. Mr. President, if you win the primary, will you be able to beat out either Teddy Kennedy or Hubert Humphrey?

THE PRESIDENT. Well, I think that our chances in November are very good, regardless of the Democratic candidates.

Q. How about the current status of revenue sharing as far as you are concerned? Are you satisfied with the progress of that bill through Congress?

THE PRESIDENT. Not at all. I have recommended to Congress a 5¾-year extension of general revenue sharing—last July, as I recollect—and Congress has not gotten the legislation out of subcommittee yet. Congress has been very, very dilatory. The majority party doesn't seem to have much inspiration to pass the legislation. I hope that we can push—with the help of Governors, mayors, and county officials—this legislation can be vitally important to all units of government.

Q. Do you think it is going to pass?

THE PRESIDENT. I'm always optimistic, but the time delay is very bothersome. All I can say is that we're working very hard to get some congressional action before it's too late.

Q. Is it going to play in Peoria? Are you going to win in central Illinois?

THE PRESIDENT. I'm very optimistic with my prospects as far as Peoria is concerned. Illinois has always been a good State. I had many opportunities to visit it. I have virtually been all over the State. I think I have a friend or two, and I think they will be helpful.

REPORTER. Thank you very much.

NOTE: The exchange began at 5:45 p.m. at the Greater Peoria Airport.

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Remarks and a Question-and-Answer Session at the Everett McKinley Dirksen Forum in Peoria. *March 5, 1976*

Thank you very, very much Dr. Abegg, Congressman Bob Michel, Congressman Tom Railsback, Congressman Ed Madigan, my outstanding Secretary of Agriculture, Earl Butz, Mayor Carver, friends of the Everett McKinley Dirksen Chair, students, faculty, and guests of Bradley University:

At the outset, let me say I don't think we would have scheduled this tonight if I had known that Chet Walker [1] was being honored last night. [*Laughter*] I probably would have been here last night if I could have, because I am a great fan of his, and I am a great fan of all that Bradley University stands for in the field of basketball, as well as academic standing, and I congratulate you. And I'm darn glad and lucky to be the recipient of the Everett McKinley Dirksen Honorary Chair here tonight. I thank you very, very much.

Bob Michel was much too generous and far too kind, but it's nice to hear in 1976. And I thank Bob for not only his kind words but his long friendship. And I could reciprocate in kind for the outstanding job that he does for all of you in the Congress of the United States.

Obviously, it's a great pleasure and privilege and a very high honor for me to be here tonight, not only in Bradley but in the city of Peoria. And I thank Mayor Carver for his warm and very kind reception at the airport.

I have been here—yes, back in 1949, but I have been here subsequent to that, and I am impressed with your people, your administration, and the objectives and the kind of morale that you have here in Peoria. You set a high standard for other communities around the country.

The trustees of this university have been very kind and honored me in a very

[1] Former basketball player at Bradley University and member of the Chicago Bulls professional basketball team.

personal way with an honorary appointment to the Everett McKinley Dirksen Chair of Government and Public Affairs. And I am deeply honored, because Everett Dirksen was one of the finest public servants I have ever known, and history will record him as one of the most gifted and beloved men ever to serve in the Congress of the United States.

Ev and I became especially close during the years when he served as the Republican leader in the United States Senate and I was his counterpart in the House of Representatives. Ev Dirksen was more than a statesman, more than a master of legislative process, more than a never-to-be-forgotten speaker. I knew him as a good friend, a wise counselor, and an inspiring teacher.

He taught us one of his most unforgettable lessons on the memorable day in 1963 when the Senate was debating ratification of the nuclear test ban treaty. Speaking in support of that treaty, Senator Dirksen said, and I quote, "Under the circumstances, with bigger and more destructive weapons being built all the time, with armament burdens upon every country in the world, unless we take a step in the whole domain of faith, what will be left except gloom and defeatism against the day when some careless person will pull the trigger?"

Everett Dirksen knew that somehow the peace of the world must be made more secure, that if men had made the world more dangerous, men could also make it safe and had an obligation to make that effort. Twice in this century, the whole world has gone to war. Twice, the United States has joined the global struggle, believing with Woodrow Wilson that "the right is more precious than peace" and agreeing with Franklin Delano Roosevelt that we "are willing to fight to maintain freedom."

Twice more we have honored our commitments to individual nations where peace was broken by acts of naked aggression and by armies bent on destruction, terror, and conquest. America has seen too much of war in the 20th century, too much of suffering and dying on bloodstained fields of battle.

We cherish the peace that America enjoys, the peace that finds no Americans in combat anywhere in the world tonight. And yet we know that the freedoms we have defended so often are being challenged today. We know that our strength, our power, our constant vigilance, and our resolve are the foundation of mankind's hope for peace and stability in the world.

If we should ever relinquish that role, if our contribution to peace should be diminished by our own weakness, the consequences could be severe and tragic for the whole world. For this reason, the United States must pursue a policy of peace through strength. That is the policy which my administration will always pursue.

In the last 19 months, I have taken affirmative action to ensure that America's alliances are strong, our commitments are worthwhile, and our defenses are without equal in the world.

In my Presidency, I have proposed the two largest peacetime defense budgets in American history as the best assurance of deterring aggression and maintaining our own national security. There are some very sincere, very thoughtful, and very patriotic Americans who believe that these defense proposals take too much of our financial resources, take them away from domestic programs supported by the Federal Government. And I respect that view. But we must remember that the foundation for all of these domestic programs, the basic premise upon which they all depend is that the United States will continue as a free, independent, and secure nation. That must be our highest priority, and in this administration it is.

Beyond securing our own independence, America's defensive strength, by the very fact of its existence, enables us to deter aggression in many parts of the world. And that strength makes it possible for us to negotiate for peaceful progress from a position that commands respect and invites cooperation.

Because both sides of the Middle East conflict respect our strength, our word, and our commitment to a just and lasting peace, we have won the role of a peacemaker in that very strategic and very volatile part of the world.

Our aim is to make peace secure throughout the world. We are conducting our foreign policy with our eyes open, our guard up, and our powder dry. We know that peace and national security cannot be pursued on a one-way street, but we also know that returning to a collision course in a thermonuclear age can leave the human race in ashes.

I will not lead the American people down the road to needless danger and senseless destruction. I will lead them on the path of peace through strength, and we will live in peace and freedom in the United States of America.

It is our duty and our great opportunity to make the most of the peace and freedom we enjoy in America today. Let us show ourselves worthy of the price we have paid for them in blood, in sacrifice, and in treasure.

Let us take more seriously and more personally our precious right of free political expression in this election year. Let us set ambitious goals for the future of our country and work hard and work together to achieve those goals.

Let us strive to secure the blessings of liberty for ourselves and our posterity and stand tall and strong and free among the nations of the world.

Let us make certain that the cause of freedom has no better friend, no stronger ally than the United States of America. And let us resolve, as the greatest son of

Illinois did a century ago, that the "government of the people, by the people, and for the people, shall not perish from the earth."

I thank you, and now I would be delighted to answer any questions.

Questions

ANTITRUST POLICY

[1.] Q. Mr. President, I'm from Godfrey, Illinois, and a student from Bradley University.

Many economists today feel that the country's economic problems are caused to a large degree by cost-push inflationary pressures rather than the more traditional demand-pull pressures. In this context, what are your plans, if any, to break up the monopolistic tendencies of big business and big labor and their price-fixing abilities which tend to interfere with the efficient operation of the market?

The President. About a year ago, I appointed an outstanding person to be our Attorney General, who was an expert in antitrust actions. Ed Levi, of the University of Chicago, served as an Assistant Attorney General in the Antitrust Division, some 15 or 20 years ago. He is acknowledged as an expert in antitrust matters.

At his request, I have added to the number of antitrust lawyers in the Attorney General's Office. I can assure you that under his leadership there will be active, affirmative action taken to operate under the laws of the United States in antitrust actions.

In addition, about a year ago, I submitted to the Congress legislation that would add to the penalties in dollars—in criminal action, those who violate our antitrust laws. It seems to me that through this kind of action we can make certain, in the business world at least, that there will be a proper governmental role in making an environment where free enterprise can operate without a monopolistic development.

In the field of labor, I have been condemned and complimented for the fact that I vetoed the common situs picketing bill which had some ramifications involved in this overall area. The strength of our free enterprise system depends upon competition. We can't have big business, big labor—or big government, I might add—dominating our economy.

ROTC PROGRAM AT BRADLEY UNIVERSITY

[2.] Q. Mr. President, I'm a student at Bradley University from Spring Valley, New York.

In an announcement made 2 days ago, the Air Force informed Bradley University that our Air Force Reserve Officers Training Corps program will be closed down, effective in the spring of 1977. For the past 27 years, through thick-and-thin, Bradley has supplied the Air Force with highly qualified personnel. The loss of this program will cost Bradley approximately a quarter of a million dollars annually.

In your opinion, Mr. President, is it possible for the Air Force to justify this action as a suitable reward for Bradley University's continuing support for over a quarter of a century?

THE PRESIDENT. Based on what you told me, I'm disgusted with the action of the United States Air Force. Quite frankly, it's incomprehensible, and we will do our darndest to rectify the error. And I will let Dr. Abegg know. I just don't understand it. It sounds ridiculous.

FEDERAL ASSISTANCE TO CITIES

[3.] Q. Good evening, Mr. President, I'm from Ridgewood, New Jersey, and I'm also a student here at Bradley University.

Recently, Mayor Young of Detroit made statements expressing not only his city's fears but also those of Philadelphia, San Francisco, and several other major cities concerning their somewhat suspect present financial stability and that of the future and also the ability to continue to provide for the necessary public services.

Has your administration formulated a program to help prevent fiscal crises in other cities besides New York, prior to that crisis or, if not, will the tactics or methods used in New York's fiscal crisis also be used in other cities?

THE PRESIDENT. Of course, my administration has strongly supported the general revenue sharing program, which gives to our States and to cities and to other local units of government about $6 billion a year which, in effect, is free for those cities to utilize as they see fit, for whatever programs or policies that they determine at the local level.

That's a good program; I fully support it. And in addition, we have many other categorical grant programs that go to State or local units of government. It seems to me, having been somewhat closely associated with the conflicts involved in the city of New York, that communities around the country have to learn that they have to manage their fiscal affairs in a responsible way.

We found that New York City, not for 1 year but for a period of time, had not handled its finances very responsibly. And the net result was they found that their expenditures, their receipts were in bad shape, that their cash-flow problem was disastrous. I don't think we can permit other cities to expect that the Federal Government is going to bail them all out, because we aren't. If we can't establish responsibility at the local level and at the State level and at the Federal level, we could go down the same disastrous path that some other countries—friends of ours—have gone down for the last 20 years. And as far as I am concerned, we're not going to permit it locally, statewide, or nationally.

PARDON OF FORMER PRESIDENT NIXON

[4.] Q. Mr. President, I'm a senior at Bradley University. A recent national wire service reported that you have gained a lead over your opponent, Governor Reagan, in the upcoming Florida primary. One of the voter comments listed by the wire service favorably mentioned your performance in office to date, but expressed disfavor with your handling of the pardon granted to former President Richard M. Nixon.

I would like to know whether you are prepared to state unequivocally that there was no deal made between Secretary of State Kissinger, chief of staff General Haig and yourself, or any member of your staff in regard to resignation and subsequent pardon of former President Nixon?

If no such deal was agreed upon, would you please be willing to discuss your reasons for the granting of the pardon to Mr. Nixon?

THE PRESIDENT. In the first place, there was no deal made in any way, whatsoever. Categorically, no. And let me take you back, if I might, to the situation in July and August and September of 1974. This country had gone through a nightmare, a traumatic experience unprecedented in our country. And I became President under the most extraordinary circumstances—not because I sought the Office, but because I had the opportunity to serve. And I found shortly after becoming President, that if we were to go through a long series of events that would have been, I think, extremely disturbing to the situation in our country, the better procedure would be to make a decisive decision and get the matter off our back so that we could handle our problems domestically, with the economy, and our problems internationally.

It was a decision made by me alone. Nobody else had any responsibility, and I'll take the full responsibility for the consequences, good or bad. But we had to get on with the job of looking at our problems and solving them, both at home

and abroad, and that had to be pushed aside so that all of us—215 million Americans—could concentrate on the future and forget the past, as bad as it was.

RELATIONS WITH THE SOVIET UNION

[5.] Q. Good evening, Mr. President. I'm from North Belmont, New York, and a sophomore bio major here at Bradley.

Mr. President, you have come under fire lately by former Governor Reagan, former Governor Carter, and others, concerning the State Department's handling of détente. What is your justification for the foreign policy positions taken by your administration in regard to the Soviet Union and China, in particular U.S.-Soviet grain dealings, past and future?

THE PRESIDENT. Well, let me say very specifically that we are going to forget the use of the word détente. I said that back in August of 1975, when I spoke to the American Legion in Minneapolis, Minnesota. The word is inconsequential. What happens in the negotiations between the United States and the Soviet Union, what happens in the negotiations between the People's Republic of China and the United States—those are the things that are of consequence.

Now, this administration believes that we have an obligation not to go back to the cold war where confrontation, in effect, took place literally every day of the year. We have an obligation to try and meet every problem individually; specifically, every issue as it comes up, in an effort to negotiate rather than to confront, whether it's with the Soviet Union or the People's Republic of China.

And we can do this effectively if we have the strength, militarily and otherwise, to have a two-way street. Now, the United States, despite what some critics have said, has not under any circumstances gotten the short end of the deal. We're good Yankee traders, and we've done darn well by the United States.

Now, let's take the grain sales to the Soviet Union. I know some candidates for the Presidency have said that we ought to not make any sales, that we ought to buy all the grain from the farmers and store them in Government-owned warehouses, put that heavy lid over the price structure of our agriculture at a cost, as it was some 10 years ago, of $1 million a day, about $400 million a year. That's what it cost to store grain when we weren't selling it overseas. I just don't think we should make our farm export problem the pawn of the international politics. By strong, effective negotiation, we came out with a good agricultural deal with the Soviet Union.

And if we get a SALT II agreement that will keep a lid on strategic arms in the next 7 to 10 years, it will be to the benefit of the United States. Let me ask this very simple question: Is it better to have a mutual limit of 2,400 launchers

and 1,320 MIRV missiles—isn't that better than having 4,000 or 5,000 launchers or 2,000 or 4,000 MIRV missiles? Isn't that better for all of us? It really would be better if we could go below 2,400 and 1,320 as long as we had rough equivalents between the two superpowers.

If we had an open thermonuclear arms race, that's not in the best interest of the United States or the world as a whole. We have an obligation to have rough equivalency that will deter aggression, either by us or by them, and permit us to do some things that are needed and necessary for the world as a whole, as well as for the United States.

Any of these people that challenge us in these kinds of day-to-day negotiations, issue by issue, problem by problem, haven't been in the ballgame. They have lots of rhetoric, but I don't think they understand the problems.

SELECTION PROCESS FOR SUPREME COURT JUSTICES

[6.] Q. Mr. President, I am a student at Bradley University. Mr. President, would you please state the criteria you used in the selection of Mr. [John Paul] Stevens as a Supreme Court Justice, and would you use the same criteria in the selection of future Supreme Court Justices?

THE PRESIDENT. I'm very proud of the selection of Supreme Court Justice Stevens. We went through a very constructive process of soliciting names from a wide variety of individuals or organizations that wanted to maintain a very high quality on our Supreme Court.

We had a number of highly qualified individuals. The Department of Justice solicited views from the American Bar Association. They interviewed, as I recall, some 10 individuals whose names had been submitted to me. They came up with three or four that seemed to fit the requirements of the day and, after looking at the recommendations, the backgrounds, and all of the other qualifications, I came to the conclusion that Justice Stevens would be an outstanding member of the United States Supreme Court.

And I was delighted to see that a Democratic Congress, dominating the Senate by about or better than 2 to 1, almost unanimously approved him. So, I think we went through a good process. It was proven that he had the qualifications to be an outstanding jurist, and that's what we want. And to the extent that I can do it in the future, that's exactly the process I will follow in the days ahead.

FORMER PRESIDENT NIXON'S VISIT TO CHINA

[7.] Q. Good evening, Mr. President. I am from WWCT here in the great city of Peoria. I'd like to ask you what significance Mr. Nixon's recent trip to

China had, and has it in any way undermined your recent journey there several months ago?

THE PRESIDENT. Under no circumstances has that trip by Mr. Nixon, as a private citizen, invited as a private citizen by the People's Republic, undermined my trip to China, my negotiations with Chairman Mao and the other Chinese officials. Under no circumstances did it undercut, undermine, or interfere with the relations of our Government with that Government.

INVESTMENT TAX CREDIT

[8.] Q. Good evening, Mr. President. I'm an economics major. Do you believe, with the present state of the economy, that tighter investment spending with the reduction of taxes will boost the economy to preinflationary levels?

THE PRESIDENT. Well, I'm convinced that it's far better to give tax reductions to stimulate the economy, to increase employment and decrease unemployment, than to put programs through the Congress where you increase Federal Government spending and where you provide temporary employment for individuals, whether it's at the State or local level. That's the policy of this administration, and that's one of the problems I have with the Congress. They want to go the other way. But we're going to fight them; we're going to win, because we are right.

EFFECT OF WATERGATE ON 1976 PRESIDENTIAL ELECTION

[9.] Q. Mr. President, I'm a journalism major from Bethany, Connecticut. My question is, Mr. President, what effect do you feel the Watergate incident will have on the upcoming Presidential election? That is, do you feel that many Americans will vote Democratic because of Watergate?

THE PRESIDENT. I have no authoritative way of making an accurate determination on that. I can only say that I, as a candidate, had absolutely nothing whatsoever to do with Watergate, so it has no relationship to my background, my qualifications. I would hope that the performance of the last 19 months would indicate that I have an administration that's open; it's frank. It doesn't promise more than it can produce, and it won't lie to the American people under any circumstances.

These are the fundamentals by which my administration has tried to operate. And everybody that works for me understands what those rules and regulations are. So we are different. We have no connection with Watergate. And so I would hope that the American people would look at me and those that work with me in that light, rather than remembering a sad and tragic past in American history.

CIVIL RIGHTS

[10.] Q. Mr. President, I'm a resident of Peoria and a part-time student at Bradley. I wonder if you would clarify your position on the subject of civil rights for gay people in America.

THE PRESIDENT. Civil rights for what?

Q. For gay people, with respect to hiring, employment, and housing. And secondly, if you were elected President, how would you hope to eliminate some of the discrimination that gay people in America live under?

THE PRESIDENT. I recognize that this is a very new and serious problem in our society. I have always tried to be an understanding person as far as people are concerned who are different than myself. That doesn't mean that I agree with or would concur in what is done by them or their position in society. I think this is a problem we have to face up to, and I can't give you a pat answer tonight. I just would be dishonest to say that there is a pat answer under these very difficult circumstances.

PANAMA CANAL NEGOTIATIONS

[11.] Q. Mr. President, I'm pastor of a church here in Peoria. From time to time we get reports, printed sometimes, to the effect that Mr. Kissinger and the State Department have already made promises and commitments regarding the Panama Canal to a government which is something less than friendly to us. And furthermore, it has been suggested that the constitutional caution which forbids any United States property to be sold without approval of the Congress—that that will be circumvented by retaining title to it but nevertheless technically not selling it, but in reality giving all the controls and direction and jurisdiction to the Panama Government, which only the owner of the property should have. I'd like you, Mr. President, to comment on that if you would.

THE PRESIDENT. Well first, let me say that whatever is done, if it reaches that point, will be fully submitted to the United States Congress, both the House as well as the Senate. If property is sold—and I'm not saying it is—or is transferred, it would have to be approved by both the House and the Senate and, of course, if it's a treaty, it would have to be approved by the Senate alone. So, you can rest assured that whatever is done, if anything is done, will be submitted in its entirety, and completely open and above board.

Now, the situation is that since 1964, when they had a series of riots in the Panama area—the Canal Zone and the Government of Panama—some 30 people were killed in these riots, including a significant number of Americans.

Those circumstances precipitated negotiations that have been carried on by three Presidents. Those negotiations are going on today between the Government of Panama and the United States.

I can only assure you—because the negotiations have not been completed—that the United States, as far as I am concerned, will never give up its national defense interests nor give up its interests in the operation of the Panama Canal. And whatever is negotiated—and nothing has been concluded—will be submitted in its entirety to the Congress of the United States.

NATURAL GAS PRODUCTION

[12.] Q. Good evening, Mr. President. I'm from Peoria. As you know, central Illinois has had a severe natural gas shortage. What do you propose to do about this natural gas shortage at a national level?

THE PRESIDENT. Let me thank you for asking one of the most fundamental questions asked here tonight. The United States is presently hamstrung by some outmoded legislation that precludes us from stimulating the production of more domestic natural gas production.

The Congress has been struggling for a long time. The Senate passed a good bill about 2 months ago. The House of Representatives, by a razor-thin, narrow margin, passed a bad bill—terrible, absolutely terrible—which is worse, in effect, than what we have as a matter of law right now.

Unfortunately, we are at a loggerhead or a stalemate. We have had a declining production within the United States of natural gas since 1973, and as long as the present law or the House of Representatives' bill are law, it will go down and down and down and down and we will buy more and more and more foreign, Arab oil, and that's not good for America.

What I'm saying is, get the Members of the House of Representatives—I think all the ones here voted right—[*laughter*]—get them to help us to go along with the Senate and stimulate domestic production.

Q. Mr. President, this will be the last question.

THE PRESIDENT. Can't we have one more? There is a nice looking young lady over there. [*Laughter*]

POSTAL SERVICE DEFICIT

[13.] Q. Mr. President, I'm from Peoria, and I'm a postal employee. I understand that you were against increasing the postal subsidy, and now they have been denied the chance to close the rural post offices. What do you see as the future for the Postal Service, a service that is vital to all Americans?

THE PRESIDENT. I think we're right down to the barebone facts. We either have to achieve greater economies in the operation of the Postal Service and have a smaller deficit, or we have to charge the people who use the Postal Service for the service that is rendered. Or if we don't achieve more economies in the operation or the people who use the Postal Service aren't going to pay more, then the taxpayers, as a whole, have to pay the deficit.

It's just one of three options. Now, I happen to believe we can do a better job running the Post Office. There is no reason in the world why the Post Office should have a $1,300 million deficit in a 12-month period. So, we come right down to how we can eliminate the deficit, and there are three options. And I think the Congress has to work with me, but the people in the Post Office Department have to work with us in order to solve the problem.

Q. Mr. President, before we let the last question go with the lovely lady, I'm the director of the Dirksen Endowment Fund, and on behalf of the Dirksen Congressional Research Center and, particularly, Louella Dirksen, we wish to thank you for your continued support to the Dirksen name and, particularly, to the Center. And I want to say tonight that you're not only playing well, you're going to continue to play well.

CONSOLIDATION OF EDUCATION PROGRAMS

[14.] Q. Thank you, Mr. President, I am from the city of Peoria. The Peoria Journal Star has reported that you have asked Congress for block grants for education at the elementary and secondary level. These block grants would replace 24 aids-in-grants. This sounds great, but would you assure us that we would have less restrictions? Title I and some of the titles are extremely restrictive to us in the local area and to handling these funds.

THE PRESIDENT. You are exactly right. I have recommended to the Congress that we take 24 primary, secondary—or elementary and secondary education categorical grant programs, consolidate them in one block grant program, and that the money should go to the States and to the local units of government without any matching requirements, so that at the local and State level, independent decisions could be made as to which area there should be local emphasis.

The local emphasis in Peoria might be different than the legitimate needs and local emphasis in Miami, or the local emphasis or needs in Grand Rapids might happen to be different from what they are in San Francisco. So, the block grant program gives flexibility. And we have promised every State and every local unit of government they will get no less money than they've gotten this current fiscal year, and they have much more decisionmaking responsibility at the local

and the State level. The more we get education decisions made at the local level without court interference, the better off we are in the United States.

Could I say one final word? That's great music, but I've got a couple of more lines. [*Laughter*]

Obviously, I've enjoyed being at this outstanding University tonight and talking with all of you from Bradley as well as from Peoria and surrounding areas. But before I leave—you know a long time ago, I played football at the University of Michigan back when the ball was round, and I just have a great interest in athletics. I think it's great. I'm proud of it. I am proud of the fact that Bradley has done so well in basketball, and I'm a great enthusiast of Chet Walker. But before I leave, let me pay my respects to another great product in Peoria, the basketball team at Richwoods High School.

And let me conclude my comments tonight by saying that I would like nothing better than to follow their example and go undefeated in Illinois in 1976.

NOTE: The President spoke at 8:20 p.m. at the Robertson Memorial Fieldhouse at Bradley University. In his opening remarks, he referred to Dr. Martin G. Abegg, president of the university.

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Remarks to Members of the Mohammed Shrine Temple of Peoria. *March 5, 1976*

WE'VE had a great day in the wonderful State of Illinois, and this is the culmination of a great experience, particularly in Peoria. I want to thank Mayor Carver. I want to thank my very dear friend Bob Michel, your outstanding Congressman. Most of all, I want to thank the just overly friendly and generous people from Illinois for making this day a wonderful one in my political career. I can't thank all of you enough.

But let me talk, if I could, Nobles [1] and your lovely ladies, a little about my feelings about and experiences with the Shrine. I come from Saladin Temple in Grand Rapids, Michigan. I'm proud of it. My father was very, very active.

My first real personal exposure to the Shrine came in late December of 1934. I was selected to be on the East team of the Shriners East-West football teams. We went out to San Francisco where the Shrine has an outstanding hospital for crippled children. It was a tremendous experience for us on the Eastern football

[1] Salutation given to members who are 32d degree Masons.

team to go to that hospital to see what is done to help unfortunate people, primarily young people. And I learned at that point not only what my father had sort of imbued in me but I learned what great people like all of you do, on a day-to-day basis, to help those less fortunate than yourself.

I've been proud ever since having the experience, and I thank you for inviting me tonight. I am deeply grateful for the association that I've had with my fellow Nobles at Saladin Temple, and it's just nice to see all of you from this temple here in Peoria.

Thank you very, very much.

NOTE: The President spoke at 9:10 p.m. at the Mohammed Temple of the Shriners.

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Remarks at a President Ford Committee Reception in Peoria. *March 6, 1976*

Bob, one of my best and very dearest friends, and also my very good friends in the Congress, Tom Railsback, Ed Madigan, Mayor Carver, your wonderful Governor, Dick Ogilvie, Mary Alice, all of you:

I thank you very, very much for coming here this morning, Saturday morning. Getting up at this hour for a political gathering is far and above the call of duty, and I thank you very, very much. As I was reading the paper this morning, I couldn't help but notice a change from the papers that I had read a year ago.

About a year ago, all the doomsayers were predicting 10 percent unemployment or more, a recession moving into a depression. They were talking about inflation getting worse. They were saying that our foreign policy was in disarray, that the United States was doomed to despair not only at home but abroad. And they were indicating that I had only won an election in Michigan and couldn't win any elections elsewhere.

You know, to get up this morning and read a paper with somewhat changed headlines and a little different factual information made me feel good, and I hope it did you, too.

The economic news is good, and it's going to get better. I think the facts speak for themselves. We've cut the inflation rate by better than 50 percent. We have the unemployment figures going down nationally. We have the employment figures going up. And it isn't noticed very often, but we have regained—according to the statistics released Friday—we are back at the highest historical employment figure of 86.3 million people, and we're going to get better.

The momentum is going in the right direction. Maybe I shouldn't say this, but you know they said, as I indicated a moment ago, I had never won an election outside of a congressional district in Michigan. Well, we won New Hampshire; we won Vermont; we won Massachusetts. I think we're going to win Florida and, from what you all tell me, we're going to win Illinois.

So all those pundits are 100 percent wrong so far, and it is, I think, encouraging, because it reflects the faith that the American people have in a sound course of action. We were, you know, tempted—some people were saying, "Gee, you've got to do this, and you have to take this radical course."

We didn't panic. We decided what was right; we did it, and I think the results are proving it. We got the help of people like Bob and Ed and Tom and the other staunch people in the Congress. They stood with us, and I thank them from the bottom of my heart, because without their help, what we tried to do never could have been accomplished. And let me just take one example.

We had some people up at the other end of Pennsylvania Avenue in the majority party that wanted to undertake all kinds of radical programs to meet our problems at home, and in the process of 19 months I vetoed 46 bills. They tell me that's a record, but I'm proud of it, and I'm very grateful for the people in the Congress who stood with me. They sustained 39 of them. But the important thing is we saved $13 billion, and that's not hay.

I can just hear old Bob up there on the floor of the House telling those wild-eyed spenders, "You ought to have more sense." We could hear you way at the other end of Pennsylvania Avenue. But he rallied the troops, and he did a great job, and the people that stood with him likewise deserve your applause and your support.

What are the prospects for the future? Every indication we have is that the economy is going to get better and better and better. I believe that we have a strong deterrent military force that reinforces our alliance with our allies. They have faith in us. It convinces our adversaries that they should treat us with respect. And they are not going to undertake any ill-advised adventures, let me assure you of that, because America is strong; it's alert; it's ready, and we're going to keep it that way.

But I've had the privilege of meeting a good many of the people here this morning who are going to be, or are, Ford delegates. We're sure going to see you out in Kansas City, unless I drag you down and you don't win.

But I think Kansas City is going to be a tremendous success. It will be the steppingstone, the springboard for a great victory in November of 1976. But, as

Bob said, good policies aren't enough; it's good people that make the difference. I went through a number of political campaigns where those who worked hard calling on the phone, helping to get people with their absentee ballots, doing all kinds of hard chores where little recognition is accorded—I always felt that they did more than their share, and the net result was we won.

And so I thank all of you who are doing that hard, nonglamorous labor, because you believe in a policy, you believe in a cause, and I won't let you down.

Thank you very, very much.

NOTE: The President spoke at 9:10 a.m. in the Cotillion Room at the Peoria Hilton Hotel. In his opening remarks, he referred to Representative Robert H. Michel, Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee, and Mary Alice Erickson, chairman of the President Ford Committee for the 18th Congressional District of Illinois.

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Exchange With Reporters on Arrival at Champaign, Illinois. *March 6, 1976*

GOOD MORNING. How are all of you?

We had a great 2 days in Illinois, and we are looking forward to coming back next week. I feel in Illinois, as we have felt elsewhere, that the momentum is really rolling. We had some excellent meetings, not only with farm group leaders but we had a tremendous meeting last night at Bradley University. You just get that feeling, not only that the crowds are good and warm and friendly but the main thing is the real intensity of the feeling that we are on the right course at home as well as abroad.

REPORTER. Do you believe, Mr. President, that the real political showdown will be in central Illinois between you and Governor Reagan?

THE PRESIDENT. Well, it is a very important area, that is why I am here, and to make some new friends and get reacquainted with many, many old friends that I have seen over the years as I have traveled in this part of Illinois.

Q. But do you believe the vote will be close?

THE PRESIDENT. I always assume it will be close, but I think our momentum is good, and I think we will win.

Q. Is Nelson Rockefeller going to campaign for you?

THE PRESIDENT. He has been very helpful in a number of areas throughout the country and I presume that as the campaign continues he will.

Q. Mr. President, during your campaign we now have more evidence of incursions in Mozambique and that area into Rhodesia. I am wondering

what specifically your policy is going to be, should there be any more Communist incursions in that area?

THE PRESIDENT. We, of course, are watching it very closely. I think it would be inappropriate for me to give any signal as to our precise course of action.

Q. Is there any truth to the story that Melvin Laird is being considered for the Secretary of State's job?

THE PRESIDENT. Not at all. Mel Laird is a very close and very good friend of mine. He has got a number of very fine jobs on the outside in the private sector. He is a very helpful adviser to me. But we have a good Secretary of State, and he is going to stay on.

Q. Yesterday, your son Jack said that he thought that if you won in Illinois that would end the Reagan threat. Do you agree with your son Jack on that issue?

THE PRESIDENT. Well, if we win in Florida and Illinois, we will be very encouraged, and I would think my opponent would be somewhat discouraged.

Q. How formidable a candidate do you think Mr. Reagan is?

THE PRESIDENT. Let me just talk to the local press, please, Wally [Walter Rodgers, Associated Press Radio].

Q. Could this be the key turning point in your campaign?

THE PRESIDENT. It will be very significant, because with success in Florida and success here, we will have piled up a significant number of delegates, and that is what will make the difference in Kansas City.

Q. Assuming there are victories in Florida and Illinois, do you see Mr. Reagan then pulling out of the race?

THE PRESIDENT. You will have to ask him about that.

Q. Sir, do you think Hubert Humphrey will be your opponent in 1976?

THE PRESIDENT. Yes. I think the rest of them are, as I understand it, cutting each other up pretty badly, dividing the Democratic Party with their comments and criticisms of one another. And so, I still think the prediction I made better than a year ago, that Hubert would be the candidate, holds true.

Q. You have fewer candidates for delegates in this district than there are seats available. Is that indicative of the rest of your campaign organization throughout the State?

THE PRESIDENT. I think we have got a very first-class organization. Former Governor Ogilvie has done an outstanding job giving us real leadership. Every place I have been our delegate lists are good, they are strong, they are identifiable people who have been leaders in the community. I think we will do all right in this district as well as others.

Real nice to see you all, and thank you very much.

Q. President Ford, you are going on live over the air on local radio on WRC. Would you like to say hello to all your farmer friends here in east-central Illinois?

THE PRESIDENT. Thank you very much, Steve. It is a pleasure to have an opportunity to say hello to them. We talked with the outstanding farmleaders in the State of Illinois yesterday, and I think it was an excellent give and take. They asked a lot of penetrating questions, and I think I answered their questions very satisfactorily.

With our tremendous exports and their hard work and the leadership of our outstanding Secretary of Agriculture, I think agriculture in Illinois, as well as elsewhere, is bound to be prosperous.

Thank you all very, very much. Nice to see you.

NOTE: The exchange began at 11:20 a.m. at Willard Airport.

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Remarks and a Question-and-Answer Session at a Public Forum in Champaign. *March 6, 1976*

Thank you very, very much, Ed Madigan, Senator Chuck Percy, Congressman Paul Findley, Secretary Butz, my good friend, Governor Ogilvie, Mr. Fink, Mr. Fitzgerald, Mr. Rasmus, ladies and gentlemen:

It is wonderful to be here in Centennial High School. You won't believe it but I picked out this University of Illinois tie this morning. Obviously, it is very, very wonderful to be here with you today, and I was told before I came in that this is the season of March madness in the great State of Illinois. I don't have to remind you that this is the time of the year for those great Illinois basketball tournaments.

But there are, of course, different kinds of March madness. Do you remember what the doomsayers were saying a year ago in March? It was just about 12 months ago when many, many were predicting that this Nation was literally on the brink of economic collapse. Forecasters were competing with each other to see who could make the gloomiest predictions. I am sure you all remember some of them.

Gasoline was going to be selling for a dollar a gallon; foreign investors were going to pull out their money from the United States as a bad gamble; trade with the rest of the world was about to dry up; inflation and unemployment

would skyrocket, and that grim word "depression," that some of us remember, was heard more and more.

This was a time when it would have been easy to stampede, to forget or to ignore the inherent strength of the world's greatest economy, to turn instead to some quick-fix gimmicks. This administration didn't panic nor did we abandon our principles or our convictions under fire.

We set a very firm and steady course and stuck to it. What happened? Doomsday never came. The American farmer, the American businessman, the American consumer, the American investor, American workers regained their confidence in the future of this great country as they should and as they have and as they will in the future.

We preserved the integrity of the American dollar and the American economy. Inflation was cut in half, employment has risen by 2,200,000 over last March. We have now recovered all of the jobs lost in the recession, and we are going to do better and better, month by month, because we have the right courses.

And the leading indicators for our economy released last week registered the sharpest rise in 6 months. Investments from abroad in American stocks and bonds grew dramatically. We wound up 1975 with the strongest balance of trade in America's history.

American businessmen and farmers exported more than we imported from abroad, and as many of you know, Illinois earned more than any other State in farm exports last fiscal year—$1,700 million. The doomsayers, the cynics, the skeptics were wrong last year—way, way wrong. Their gloomy predictions never came true. None of them.

America has returned strong from the recession of last year. And this administration consistently recognized and encouraged the tremendous natural strengths built into this great economy in all 50 States.

What the doomsayers tend to forget is that our private free enterprise system is built on the character and the spiritual resources of a pioneering people. We have not grown flabby. We are tough, and we know how to surmount our difficulties through hard work and determination.

No one should underestimate the greatest source of our resources, our people. And no one should shortchange the vitality and the strength of the free enterprise system. We resisted the temptation to tinker with that free enterprise system. We kept a steady hand on the tiller. Quick remedies, bigger spending, bigger deficits, bigger government intervention were rejected in favor of a balanced, steady approach.

The result of this approach has been growth and recovery without restarting the inflationary cycle. This approach has proved or has provided, I should say, an environment in this country where free enterprise can flourish as it will, and that means small business and small farmers, as well. We have made some solid gains in agriculture under the great leadership of Earl Butz. The last 3 years have registered the highest net farm income in history. And I am determined that farmers must have a fair return for their hard labor which they do for all of us, and we should all be very, very thankful for them.

We want to keep the Nation's grain reserves in farmers' hands, not in Government bins. We want farm exports kept in private trade, not determined by Government boards. We oppose putting farm products under the control of an international body.

We oppose subsidized imports. We want our products to compete fairly in world markets. We have now sold the Soviet Union $2 billion or more in farm products from the 1975 crop. That is a record, and it is only the beginning of a continued program of export of our products here in the United States.

As a result of the agreement we concluded last fall, I can assure you that we were tough bargainers, Yankee traders in the process.

American farmers are going to have a regular market in Russia from 1976 through 1980 with no less than 6 million tons of corn and wheat each year, and maybe—maybe, much more.

American agriculture is the heart of our great economy. I intend to steer a steady course to assure that agriculture remains prosperous and our farmers get their full share of America's burgeoning prosperity.

And let me add this: The right kind of leadership in Washington, experienced with the complexities of government, familiar with the ways of the Congress, knowledgeable about the multitude of our programs, has a far better chance of a guiding, steady, balanced course than those who would hide behind a blanket denunciation of our National Government. Rhetoric is no substitute for practical achievements. Generalities offer no substitute for tested, proven, successful results. It took a confidence born of experience to say no to the doomsayers who called for more and more spending. It will take an understanding born of experience to continue the progress we will make in the months ahead.

We still have a long way to go before we achieve complete recovery, but we are on the way and nothing is going to stop us. Farm income is improving, business is improving, employment is going up and unemployment is going

down, inflation has been cut in half. And the budget I submitted in January, and those I plan to submit in the next 4 years, will bring fiscal self-control to the Federal Government.

You can't operate your farm or your business or your lives paying out more than you take in. You have every right to expect your Federal Government will behave in the same responsible manner, and it will under this administration. In short, we are moving—we are moving in the right direction. We have proved that the doomsayers were dead wrong.

I am proud of our record, and I am proud of the American people. And with your help we will build an even greater and greater and greater America together. Thank you very, very much.

Thank you very much, and I will take the first question.

QUESTIONS

AGRICULTURAL TRADE AGREEMENTS

[1.] Q. I am a farmer and hog raiser. My question, Mr. President, is: The world demand for food is great and the American farmer can produce more food than can be consumed in this country. Still, our question is the number one question. What assurances do we have for free, uninterrupted access to the world markets, which are so important to our livelihood and to our country's balance of payments?

THE PRESIDENT. We have increased our agricultural exports significantly over the years. We have great trading arrangements with Japan, with Eastern Europe, with Western Europe, and we now have a 5-year trading agreement with the Soviet Union. I would say that the circumstances are literally nil that we will have any interference with our export operations in the years ahead. I want to be honest and frank with you. I don't believe in kidding anybody. I don't think any President should say categorically, no. Catastrophes come up that we can't forecast or can't anticipate. But as we look at our programs, as we look at the demands, I would say today as I said yesterday to a group of farmers, the chances of any interference with our export programs in the future are literally nil. And I think that is pretty good assurance, under the circumstances.

FEDERAL HIGHWAY PROGRAM

[2.] Q. Good morning, Mr. President. As a member of the highway construction industry, I compliment you on your position on the common situs legislation.

My question relates to the Federal highway system, which was constructed basically on a cost pro rata of 90–10 percent, Federal and State funds. What would your position be for proposal for proportionate funding of maintenance of this rather vital asset since the Federal Government today puts in no funds whatsoever toward the maintenance of that construction?

THE PRESIDENT. The Federal Government, as you indicated, since the mid-1950's, under the interstate highway program, has contributed 90 percent of the construction costs. I think our first obligation is to complete the construction of the interstate system. We are roughly 85 percent completed, as I recollect the latest figures. And in 3 years, or maybe 4, we anticipate, with some very minor exceptions, to have the interstate system of, I think it is, 42,000 miles completed.

I don't think that we should get into maintenance until we have completed construction. Once we have completed construction, I think the President, working with the Congress, ought to take a look at what our resources ought to be and where we ought to spend them.

Now, even though the interstate system is completed, we have got a lot of primary and secondary roads in Illinois, in Michigan, in Wisconsin that still have to be constructed. So, we have got to balance the completion of the interstate system, the completion of our primary and secondary roads, our so-called farm-to-market roads. And then I think we can take an honest look to see what we ought to do in the area of maintenance. I don't think I should make you categorical promises because we are 3 or 4 years away from the completion, certainly, of the first segment of the interstate system.

WOMEN IN PRESIDENT FORD'S ADMINISTRATION

[3.] Q. Mr. President, I am from Champaign. You have given women all the equal rights they want to work in your campaign for reelection. Many women hold responsible positions in your local, State, and national campaign organizations. If you are reelected, in part through the efforts of these women, how do you plan to let women participate in your administration? For example, would you consider a woman as your Vice-Presidential running mate?

THE PRESIDENT. I have already said, and I will repeat it, that I think we ought to judge people in public office on the quality, not necessarily on whether they are a man or a woman.

We have some outstanding Republican women, along with some outstanding Republican men, who ought to be considered by the convention and myself and other leaders in the consideration of a Vice-Presidential candidate.

I might add a postscript. I am very proud of what we have done in my administration in the recognition of women. I have a Cabinet officer, Carla Hills, who is Secretary of HUD. The head of the National Labor Relations Board is Betty Murphy, a woman. We have the first U.S. Ambassador to Great Britain, Anne Armstrong. We have two other newly appointed Ambassadors, one to Nepal and one to Luxembourg, both women. We have given recognition in many sub-Cabinet offices to women. They make a significant contribution, and we are proud to have them.

I can assure you that we will give the same consideration in the future, including the consideration of qualified women, as far as potential candidates for Vice President.

FEDERAL ROLE IN MEDICAL MALPRACTICE INSURANCE CRISIS

[4.] Q. Mr. President, I am a doctor from Rantoul. The medical community is gravely concerned with the malpractice crisis and the rising cost of malpractice insurance. If this continues, it will have a catastrophic effect upon our current health care delivery system. My question is, do you visualize any relief of this situation from the Federal level?

THE PRESIDENT. I am very familiar with the crisis that has arisen almost in every State across the United States. California had a very unfortunate situation. My State of Michigan is faced with somewhat comparable circumstances. Anyplace you go, the cost of malpractice insurance has risen 300, 400, 500 percent. And the net result is, that the doctors of this country are faced with buying the insurance with the necessity of added costs in health care throughout the United States. These matters have generally been handled at the State level and, I think, properly so. But if these circumstances expand, become more acute, more serious, reaching near disaster proportions, I think the Federal Government would be neglectful of its responsibilities if we did not in some way first study the problem, and if there is a Federal answer, submit it across the country.

I don't think we are at that point at this time, but it is something that certainly ought to be analyzed by the proper authorities in Washington, and it will be.

FEDERAL ENERGY ADMINISTRATION REGULATIONS

[5.] Q. Mr. President, I am a petroleum marketer. As you know, the petroleum marketers have been under some form of price and allocation control since 1971. Because of their small size they are incapable of dealing with all of the Federal Energy Agency [Administration] regulations and the repeated investigations covering the same periods of time. For example, one of the sentences in a

recent FEA regulation is longer than the Gettysburg Address. The Energy Policy and Conservation Act requires that these controls be eliminated. Just how quickly may we expect this to happen?

THE PRESIDENT. I think the head of the Federal Energy Administration, Mr. Frank Zarb, will be submitting some proposals under this new law in the very near future. I can't recall the precise date, but it will be timely done. As a matter of fact, it is long overdue. If we could only deregulate domestic oil and gas we would have a lot greater supplies and the marketing system would work a lot better. But I think in the specific case you are talking about—those regulations—getting rid of the regulations will be coming along rather shortly.

ENERGY RESEARCH AND DEVELOPMENT

[6.] Q. Mr. President, I am from Rantoul. I also have a question concerning energy. The country has noted your concern with the energy crisis. In view of the developing shortage of fossil fuels and problems involving the use of nuclear energy, what is being done by our Nation, and the Federal Government in particular, to develop alternate sources of energy such as wind, sun, tide, geothermal sources, and so forth, and in your opinion, is sufficient effort being applied to meet the gravity of this situation?

THE PRESIDENT. I think that is a very significant question because our domestic supplies of oil are decreasing. They have been decreasing every year since 1973, and until we get the Alaskan Pipeline completed and that 2 million barrels per day starts to flow, it is going to go down more rapidly. And as long as the Congress won't enact deregulation of natural gas, our domestic production of natural gas is going to continue to go down. And the net result is, we will be more and more and more dependent on foreign oil. And for the last year the import of foreign oil has gone up every month, literally every day. So, what we have to do it to take a look at nuclear energy, but also some of these exotic fuel sources that you mentioned.

Let me, in a broad sense, tell you what we have done. For the Energy Research and Development Agency [Administration], ERDA, I recommend about a 30-percent increase in research and development in the fuel sources that you mentioned.

In the case of solar heat, I recommended—the current level is about $80 million a year in research for solar—I recommended for the next fiscal year $116 to $120 million. We have increased the research and development for geothermal, we have increased the research funding for wind, all of these areas which today

contribute very little. And our energy supplies can be significant if we get a breakthrough through research in 5 years from now or certainly 10 years.

I can assure you, we have literally given to the scientific community all of the money that the experts tell me we can responsibly spend. They won't produce it overnight, but the potential is there, and with the funding that the Federal Government is putting in, I think we will have a breakthrough in those exotic fuel areas.

FEDERAL ESTATE TAX EXEMPTIONS

[7.] Q. Mr. President, I am from Rantoul, Illinois. Would you care to further comment on the status of your proposals concerning the increase in Federal estate tax exemptions?

THE PRESIDENT. Back in the 1930's, by law, the estate tax exemption was set at $60,000. It has not been increased since that time. And if you just take the escalation in the cost of living, it ought to be considerably higher.

In order to retain the stability and the strength and the contributions of the family farm and the family-owned business, I have recommended that the Secretary of the Treasury submit to the Congress in the regular procedure two things that ought to be done. One, to increase that exemption from $60,000 to $150,000. And, in addition, I have asked the Secretary of the Treasury to testify and recommend to the Congress that there be a moratorium in the payment of estate taxes for a period of 5 years and then a period of 10 years where the remaining estate tax would be paid on a graduated basis with a 4-percent interest rate. So, the net result is we increase the exemption and we also spread out the payment of whatever taxes are still left.

The net result is we can retain the ownership of a family-owned farm within the family, and we can retain the ownership of a family-owned business within the family. I think this is wholesome for America, and I hope the Congress responds affirmatively.

U.S. POLICY AT THE UNITED NATIONS

[8.] Q. Mr. President, I am a student at U of I. Lately the Third World nations have been pushing in the U.N. for more power. And we have had Patrick Moynihan, and I thought he did a great job in the U.N. He reversed the position of the United States that we had taken in the U.N. in the last few years. I wonder if you expect Governor Scranton to keep this up or go back to the conservative way we have been doing things?

THE PRESIDENT. Let me remind you that I appointed Pat Moynihan to be the U.N. Ambassador. I gave him the instructions to do as he did at the United

Nations, and he did a superb job. And I am very proud of him. For very personal reasons he made a decision to leave the United Nations. What he tried to do was to tell some of these nations that they could not continuously pick on the United States and then ask us to be generous with them. He was carrying out my foreign policy. I can assure you that Bill Scranton will do precisely the same thing, and he will continue that policy in the future.

GRAIN INSURANCE LEGISLATION; PRESIDENTIAL VETOES

[9.] Q. Mr. President, I am from Champaign. There is a bill, H.R. 2963, in the House Agriculture Committee to create a Federal grain insurance corporation, FGIC, to insure accounts in elevators as the FDIC does for deposits in banks. Is this safeguard for America's grain farmers likely to be passed in this session so it will be just as financially safe to store a bushel of grain in an elevator as it is to store a dollar in a bank?

THE PRESIDENT. That legislation, as I understand it, is sponsored by Paul Findley over here, the Congressman from your State. He is on the Committee on Agriculture. He could probably more authoritatively answer that question, whether Congress will pass it or not.

I can't precisely tell you the status of that legislation in the Committee on Agriculture. I think on the surface it seems to have some merit, but you asked the question, is Congress going to pass it? Well, you have got a Senator and three Members of the Congress. They are probably better authorities on what Congress will or won't do than I am. Sometimes I wish they would move a lot faster and on some occasions I wish they would stop—not these people, but the majority—sending down to Congress these crazy, inflationary expenditure bills.

As long as I have opened up a new subject—[*laughter*]—you know, in the last 19 months I vetoed 46 bills sent down from Capitol Hill. I guess that is a record. But I know what they were trying to do. They were trying to bust the budget. I vetoed 39 of them—I vetoed 46, and they sustained 39, and we saved the Federal Treasury and the taxpayers $13 billion, and that is progress.

FINANCIAL COMMUNITY REFORM LEGISLATION

[10.] Q. Mr. President, I am president of a bank in Rantoul and also president of the Illinois Bankers Association. Naturally, you are going to have some financial overtones to my remarks and also to the question.

A few years ago the Hunt Commission was formed under the previous administration for the purpose of proposing reform in the financial industries. The recommendations by the Hunt Commission were used as the base for the recently

passed bill, number 1267, in the Senate. Known as the Financial Institutions Act, this legislation is now being considered in the House under what they call the financial reform bill of 1976. This legislation, if passed in its present form, would seriously discriminate against the bank customer.

For example, the savings and loans and other thrifts would be allowed checking accounts, consumer lending, and trust powers. This in essence would give them the main functions of a bank, but they would still retain the interest differential which would allow them to pay a quarter of a percent more to their savings customers than would the banks be able to pay. Banking does not mind competition, but if others come into the banking ballpark to play, then the same set of rules should apply.

My question then is this: Since the present bill in the House is 217 pages long, and much time is needed to study it, and hopefully amendments will be made to that bill, is the administration pushing for fast passage of that particular bill, or would it be possible for this to be delayed possibly as long as a year to enable the authorities there in Washington, as well as the banking and other financial industries, to consider this and get a more meaningful bill and a more equitable bill passed?

THE PRESIDENT. As I understand it, the Hunt Commission or committee was formed 3 or 4 years ago. It took several years of intensive study by a group of experts representing all segments of the financial community. They made recommendations. Those recommendations were submitted to the House, as well as the Senate. The Senate, in the Senate Committee on Banking, held extensive hearings, I am told, and the Senate has passed the legislation.

The House Committee on Banking and Currency, I understand, has also held some hearings. I can't tell you the precise number, but it is a proposal that has been on the agenda for 3 or 4 years. It is something that has not been a sudden, unexpected proposal, so all parties—the proponents as well as the opponents—have had an opportunity of educating the Members of the House as well as the Senate. And I am sure that the Congress is going to give it the deliberate consideration that it ought to get.

I don't think I should say, "Give it another year." There has been 4 years of study on the matter, and if the Congress or the House of Representatives continues to move ahead responsibly, I don't think we should ask for any delay. There has been very ample time for this whole matter to be considered.

As I recall, it was before the House and Senate for 2 years in the last Congress, and this is the second year of this Congress. So, it seems to me there has been time for all parties to have their day in court. But I expect the House will hold

hearings and act in the committee and take action in the Senate. There are a lot of good points in there. There are controversial points, but those who object ought to get the committee, get friends on the floor of the House to take their cause. But just to ask categorically for another year of study when we have had 4 or 5, I can't say that I will do that.

DEREGULATION OF ENERGY RESOURCES

[11.] Q. Mr. President, I am from Rantoul. I am in the petroleum business, also. I was very encouraged by remarks you made about the Government getting out of the free enterprise system. I think everybody would look forward to that. However, as early as December of 1975, you signed a bill into law that gave the FEA 40 additional months of control over the oil companies, and you continued the present entitlement program.

Now, according to the oil company experts—and I realize there are Government experts and there are oil company experts—but this will create more dependency upon foreign crude, which is climbing every day and is up to over 40 percent at this time. We talk about these things, but when will government quit tinkering in free enterprise?

THE PRESIDENT. In November of 1974, I got the results of about a year's study called Project Independence that gave us a blueprint for making us independent from foreign oil sources. In January of 1975, I submitted an energy program to the Congress and, in effect, it would, number one, deregulate natural gas. It would, in effect, deregulate the domestic oil industry. But the Congress, after milling and hauling and taking 12 months, sent down to my desk this legislation to which you refer. It was about half-good and about half-bad. But, the alternatives of vetoing it, in my opinion, were worse than accepting it. And with great reservations—and I so stated—I accepted it.

Now we are implementing it, and we are going to get rid of the redtape and the limitations under it just as quickly as we can. The Congress set the 40-month period. I did not ask for it. They set it, and we are going to get rid of it just as fast as the law will provide. And we are going to permit the escalation over the 40-month period so that we can hopefully stimulate more domestic production.

Q. We could use all your help.

THE PRESIDENT. Well, we have a more important issue right now. The Senate passed a good deregulation bill for natural gas. The House really did a bad job, and the net result is, we are going to have no incentive to increase domestic natural gas production. And every day that we get less and less U.S. domestic nat-

ural gas production—and it is inevitable—it means we buy more and more and more Arab foreign oil. That is not good for the United States.

So, if you want to twist some arms with some Congressmen and tell them to make up for the mistake they made, then we can really move forward in this energy production business.

SUPPLEMENTAL RETIREMENT PROGRAMS

[12.] Q. Mr. President, I am Doug Mills, a local banker.

THE PRESIDENT. Wasn't there a Doug Mills that was a basketball coach and athletic director?

Q. He is a few years older than I am, but I was named after him—yes.

At the present time, citizens not participating in a pension or profit-sharing fund may invest a maximum of $1,500 per year in individual retirement accounts. We know these as IRA's. Would you support legislation that would permit and encourage all citizens to provide for a portion of their retirement through the mechanism of the IRA's, or the individual retirement accounts?

THE PRESIDENT. I was a supporter of what we call the Keogh plan, and I am sure you are familiar with that. That has been increased from $1,500 to $2,500, as I recollect. There is the IRA program. I have recommended something along this line so that individuals can invest in American corporations and get a tax deferral.

In other words, I think it is $1,500 a year. If they invest in American corporate securities, they can then get a deferral of their tax and pay the tax when they retire at the retirement age. I happen to believe very strongly in supplemental retirement programs, whether it is Keogh or any one of the others. So, anything that can be justified within reason, the answer is categorically yes.

CONSOLIDATION OF FEDERAL AID TO EDUCATION PROGRAMS

[13.] Q. Mr. President, I am from Champaign, Illinois. As superintendent of schools, I am rather concerned with the problem of funding public education, particularly in these days. So, I have what you might call a composite question which is really related more to the immediate future than today.

I would like to know what your views are on the role of the Federal Government in the partnership with State and local governments in the general funding of education, what proportionate share you see the Federal Government bears when such a partnership develops, and how you see the Federal Government going from categorical aids to general aids, and how you see the role of the President in producing such movement?

THE PRESIDENT. You have opened one of my favorite subjects. At the present time the Federal Government has roughly 27 categorical grant programs for primary, secondary, vocational, and education for the disabled—twenty-seven of them, as I recollect. Each one has their own bureaucracy. In each case separate forms have to be filled out. It is an endless, discouraging process, I suspect. Every educator that I talk to tells me that.

Now, the Federal Government in the last fiscal year or in the current fiscal year is contributing roughly $3,100 million in all of these programs. In my judgment, the best way for Uncle Sam to make an investment in primary and secondary and other educational areas is to junk all those categorical grant programs and to put them all in a block grant program, add a sweetener to get the support, and that is what I did.

I have submitted to the Congress a $3,300 million program and have said that if we go to block grants from categorical grants, we will add $150 or $200 million a year just to make sure that adequate funding is available. And we have agreed to hold harmless every school district in every State in order to get away from this papershuffling which must drive all of you crazy and just adds to a lot of tonnage in paper down in Washington.

Let me summarize it this way. Instead of worrying about whether forms are filled out correctly, we should be more concerned about how we educate our children. That is the crux of the matter.

Just be quiet a minute. I am being urged to end the questions, but I also heard as I was coming in the admonition that only questions could be asked by all of the people in this distinguished group right out in front here. Now, if we can do it orderly, we will take one question from over there in the seats and one question from here, so if somebody in those seats will stand up and ask a question, I will be glad to answer it. Speak up now.

HONESTY IN GOVERNMENT

[14.] Q. Mr. President, how can we restore more honesty in government?

THE PRESIDENT. There have been, unfortunately, instances of dishonesty in government at the local and State and in the Federal level. But I do have to say this—and I have had a great deal of experience with Federal as well as State and local individuals—I think people in government do as well in that area as people in other professions or in other areas. We have a few in business and labor and education and others that don't meet those standards, either.

But I think the American voter group, or public, can spend more time looking

at the candidates, making their judgments, and then they will be darn sure to get honest people 100 percent in the Federal Government.

ABORTION

[15.] Q. Mr. President, would you give us your views on the abortion issue and the recent controversy which has swept through our country?

THE PRESIDENT. The question is raised about the controversy which is very deepseated, very controversial, as to what to do in the field of abortion. We have fine, decent people on either side and a good many in the middle on that issue. I happen to believe that the Supreme Court decision went too far. On the other hand, I think some of the constitutional amendments proposed likewise go far, too far. I think there is an area where we can find an answer and it is not way over here and it is not way over there. And some of us are trying to achieve that proper balance.

I thank you all very, very much for the opportunity of being here.

NOTE: The President spoke at 11:35 a.m. in the cafeteria at Centennial High School. The forum was sponsored by the Chambers of Commerce of Champaign, Urbana, and Rantoul.

In his opening remarks, the President referred to Representative Edward R. Madigan, Secretary of Agriculture Earl L. Butz, Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee, James A. Fink, president, Champaign Chamber of Commerce, William James Fitzgerald, president, Urbana Chamber of Commerce, and Wayne Rasmus, president, Rantoul Chamber of Commerce.

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Remarks at the Chanute Community Foundation Reception in Rantoul, Illinois. *March 6, 1976*

THANK YOU very, very much. It's wonderful to be here, and I thank the Chairman; I thank the good mayor, Mr. McJilton. It's delightful to have with us here the outstanding Secretary of Agriculture, Senator Chuck Percy, Congressman Ed Madigan, Congressman Paul Findley, my very good friend and your former great Governor, Dick Ogilvie. I hope I haven't missed anybody.

The last 2 days in Illinois have been superb and, of course, this meeting here today is likewise a very wonderful experience for me. And I thank all of you for coming out on a Saturday afternoon, whether you come from your farms or your business or Chanute field.

And speaking of Chanute field, we've got an outstanding Secretary of Defense in Don Rumsfeld who comes from the great State of Illinois. And I think Don ought to come down here and take a look at it.

I might add, I had a wonderful experience out there listening to that delightful chorus. They sang just the kind of songs I like, and I suspect all of you do, too. But I also understand that the band from Rantoul High School postponed, at least, if not didn't go to the State Band Championship to play while I'm here. And if they delayed their departure, I'm thankful. And I am most appreciative, obviously, if they forewent the opportunity to go down to the championship. That kind of dedication I am most grateful for.

Now, let's talk about farm policy and let's say a word or two about defense. Let's take farm policy first. I, of course, have long believed in the kind of farm policy that Earl Butz has been promoting—full production, exports of the greatest amount that the United States has ever done. We were checking some figures last night. Between our commitments to sell to Japan, to Eastern Europe, to Western Europe, to the Soviet Union, we are expanding America's greatest resource in a very responsible way. And farmers will be prosperous and America will be prosperous because of the importance of agriculture to all of us.

But let me assure you that we are going to support the exports to the maximum, and I can assure you of one thing: Farm exports will never be used as a pawn in international politics.

But let's take a minute to talk about national security. The United States today is second to none in military capability, and that's because we have the best weapons, we have the best personnel, we have the best aircraft, we have the best trained people. The United States is strong. It can handle the problem of deterring aggression, it can handle the problem of protecting our national security, and through strength we can maintain the peace.

But I have to warn you that if the trend that has gone on for the last 10 years, where we are spending relatively less a percentage of our overall Federal expenditures for national security and a correspondingly greater percentage of our total expenditures by the Federal Government for domestic programs—we will be in jeopardy.

Ten years ago, out of the total Federal expenditures, we spent roughly 42 percent for national security, and we spent about 31 or 32 percent for various domestic programs. Last year, we spent about 24 percent for national security and about 51 percent for all our domestic programs. Now, we can't tolerate that situation.

Domestic programs have been going up at the rate of about 11 percent a year, and the military spending has been under pressure to hold the level or to go down. And the budget that I submitted a year ago, at that time was the largest

peacetime budget in the history of the United States; Congress cut it $7½ billion. They shouldn't have done it, but they did.

In January of this year, I submitted the biggest peacetime budget for the Defense Department in the history of the United States—$112.7 billion—the largest peacetime military budget in the history of the United States. But it's important, and Congress had better not cut it. They just can't, because while we, for the last 10 years were spending a corresponding lesser amount of our wherewithal in national security, the Soviet Union was adding to their expenditures.

Now, we are strong. We have the necessary capability to deter aggression, to protect our national interest, and to maintain the peace through strength. But I need your support to make sure that we get what we want, so the Army, the Navy, the Air Force, and the Marines can continue to do the outstanding job with the best equipment, the best personnel, the best training—just the best.

I need your help, and I say I think the Members of the House and Senate here will support me. But keep your eye on them. [*Laughter*] Don't let them cut it. If they want to add to it, that's all right with me, but we've got enough and we will be strong. We can reassure our allies, and we can negotiate from strength with any adversary.

It's great to be here. It is just a wonderful day here in Rantoul. It has been a great day and a half in all of Illinois. And I wish Betty were here, but she wore herself out last week down in Florida trying to help get my polls up to hers so I might win. [*Laughter*]

I do thank you very much. It's great to be here with all of your fine Congressmen, and I thank you very much for the chance to come to Redwood Inn.

Thank you.

NOTE: The President spoke at 2:25 p.m. at the Redwood Inn.

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Remarks and a Question-and-Answer Session With Reporters on Arrival at Marion, Illinois. *March 6, 1976*

GEE, it's wonderful to be down here in Williamson County. It's wonderful to be down here in this just great part of Illinois.

I've had one of the most exhilarating, inspiring experiences in the last day and a half, and I found this out—I knew it before, but it has been reemphasized—what great agriculture you have in Illinois, what great industry you have in

Illinois, what great resources you have in Illinois, but most important, what great people you have in Illinois.

And I have had the privilege and the pleasure of being, in the last day and a half, with some of your outstanding public officials—Senator Chuck Percy, Congressman Paul Findley, Congressman Bob Michel, Congressman Ed Madigan—well, they're great. And I brought along with me one of my favorite people not only from Washington but elsewhere, a great guy who does a lot for one of your most important industries. And I am talking about the Secretary of Agriculture, Earl Butz.

But let me take a minute, if I might. I mentioned agriculture, industry, your resources, and your people.

In industry, what are we trying to do? We are trying to come out—and we are doing it very successfully—out of the recession that we had that bottomed out last March. And every week for the last 5 weeks, we have more people employed; we have less unemployment. And we are doing it at the same time that we are cutting inflation.

In other words, your factories in Illinois are beginning to hum, and they're going to be producing more and more and more in the months ahead. And that's because we have had the right policies, and the American people didn't quit; they didn't panic. They were strong, and they believed in the free enterprise system.

But as I said, you also have in this great State the most production in all areas of agriculture. Agriculture is vitally important for all America. It is important for a wide variety of reasons. It is important for the farmers. Some 5 percent of the farmers in this country—5 percent of the population works on the farm, and they produce more food and more fiber than we can eat and wear. And thank goodness for their productivity. And their products are vitally important as we sell overseas, as we send the message from America that we are a great nation. And the farmers of this country contribute significantly to that greatness.

But let's talk now about the resources. As I was flying in, I couldn't help but notice—and I've done a little reading, too—that in this area of the country, this great State, the Land of Lincoln, you have probably the greatest inventory of bituminous coal in all of the United States. And what does that mean? It means that as we move ahead, as we try to solve the energy problem, as we try to free ourselves from the talons of the oil cartel in foreign lands, America has to come to this area of the country and utilize those great natural resources that you have right here, among them bituminous coal.

Let's talk for a minute about the people. I have had the great experience,

starting down there and coming up to here, of shaking hands with a lot of wonderful young people, some in the middle age group, and some of those senior citizens who have made a great contribution to the good America that we have today.

The older people who have worked and earned retirement must be protected as they live their older years in comfort and retirement. Those of us—and I guess I am stretching it a bit—in the middle age group have an obligation to continue the great work done by those who have worked and who are now retired, so that we can make America better step by step, day by day, month by month. And we will. And why do we really want to do it? Because we want to help all these young people that are right in the front row and others who are here, so that when they get through school—elementary, secondary, graduate—that they can move into society and have a better America than we have. That is our obligation. They deserve everything that we can do for them to keep America prosperous at home and strong, to keep the peace, to deter aggression, to make it certain that we are strong enough that nobody would dare touch an inch of soil of the United States of America, and we are.

And let me say that as I leave to go to another meeting, I am deeply grateful for all of you who are here. And I undertand there are quite a few who for traffic reasons or other reasons could not get here. Will all of you say hello to them for me?

Let me thank each of you for coming and saying hello to me. It has been a great, great opportunity here in this fine airport to visit with all of you and to say thank you for being here. And I hope on a week from Tuesday, I can get a vote or two.

Thank you very, very much.

REPORTER. Mr. President, yesterday your son, Jack, said that Senator Percy might be a good candidate for you as a running mate, and since he is traveling with you, have you at all discussed that matter?

THE PRESIDENT. We have not discussed it, but I, about a month ago, in listing the vast wealth of potential Republican candidates, included my good friend, Chuck Percy. So, yes, he certainly would be among those to be considered.

Q. Mr. President, good rail transportation is essential to the mine and agricultural needs here in Illinois, but good rail transportation is not available. Would you be in support of Federal legislation whereby the Government would purchase the rails, prepare the rails and then, in turn, lease the rails to the individual companies?

THE PRESIDENT. Well I just signed, about a month ago, the $6 billion Rail Revitalization Act which I recommended to the Congress and the Congress passed. And under that legislation, there will be a significant contribution made to the rail revitalization in this area of the State of Illinois. We will try to buy better equipment. We will try to rebuild the road, and we will do a lot of things to make the railroads a more vital part of our economy.

Q. President Ford, we have got a problem down here in southern Illinois. We have got some 5 million blackbirds roosting in an old Christmas tree farm. We are not the only part of Illinois that has got the birds, and we are not the only State in the United States that has the birds. Illinois farmers are particularly frustrated about the Government's seeming inability to do anything about it. Should you be elected, would you support legislation next year favoring getting rid of these damn birds once and for all?

THE PRESIDENT. Well, I was talking to Senator Percy about that problem on the way down here, and I am very cognizant of the dangers, both to health and otherwise. But I remind you that about 2 weeks ago, I signed legislation that would give certain authority in the areas of Tennessee and Kentucky for some action to try and eliminate or eradicate that problem in that particular area. My answer to you is, I have already done something in the area where it was very acute. And I think that is something we have to face up to and find a better answer, because, apparently, what was tried in that area was not too successful. So, I will work with the Congress in trying to find something so we can eliminate the problem you indicate.

Q. Mr. President, what about the recent misconduct on the part of big corporations such as Lockheed? What does your administration plan to do to see that that kind of overseas illegal involvement that violates our domestic laws does not happen again?

THE PRESIDENT. As far as this administration is concerned, we will not tolerate any violation of domestic laws in the United States or the laws of any country in which an American corporation operates. I have put together a top level group in my administration to study the problem and to make sure that we have all the answers we can possibly get so this bad image of the United States will end, period.

Thank you all very, very much. It is nice to see you.

NOTE: The President spoke at 5:40 p.m. at the Williamson Airport.

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Remarks and a Question-and-Answer Session at John A. Logan Community College in Marion. *March 6, 1976*

Thank you very, very much, Dr. Tarvin, President Abell, President Klaus, Senator Percy, Congressman Findley, Congressman Simon, students, faculty, and guests of the three great educational institutions:

It's a very great privilege and a very high honor for me to be here in Williamson County with all of you this afternoon. It's very, very good to be in the heartland of America where the people are great, and I thank you very much for the very warm welcome.

The purpose of my visit can be summed up in just a very few words. As much as I believe in a strong and prosperous American automobile industry, I'm here to say that this year, there is absolutely no reason whatsoever to trade in your Ford for a new model—especially one that hasn't even been road-tested. [*Laughter*]

I look forward to answering your questions, but first let me make a very few brief remarks. I am delighted to see the growth and the progress you've made here in this part of Illinois. As you know, not so long ago the economic picture here wasn't all that bright, and some people had lost faith in this great area of the Land of Lincoln. Well, it's obvious that those doomsayers were wrong. Your future is bright. It's as full of strength and hope as you are.

The signs of economic growth are here in Marion, for instance, where you have a growing population, a growing tourist industry, a new bank, a new supermarket and, I'm told, even a new movie theater. I'm as confident, if not more so, that your growth will continue. Your confidence, your drive, your initiative, your faith in progress will make it happen.

In this great Nation as a whole, we can also see a far, far brighter future ahead because we've steered a very steady, a very firm, and a very good course.

There were those who had lost faith in our country. They were doomsayers, cynics, skeptics. They didn't believe in America. They had lost faith in this great country, in its economic system. But they were dead wrong. There were those who said gas would be a dollar a gallon by now. They were wrong. There were those who said the only way to beat unemployment was to have government-supplied jobs, one on top of another, and they were wrong.

It was not a time for panic, but it was time to take strong, affirmative action.

This administration was confident that we could defeat the recession without surrendering to inflation, and we're doing it.

All the jobs lost to the recession have now been recovered. We got a report just yesterday from the Bureau of Labor Statistics that we had 86,300,000 gainfully employed. It matched the alltime number of people employed in this great country.

Inflation has been cut in half. The Wholesale Price Index fell a half of 1 percent in February. That's the biggest monthly decline in nearly a year. It's just another indication that we are bringing under control the frightening inflation of 12½ to 13 percent about 17 or 18 months ago. Consumer confidence and a host of other economic indicators are up, and we're going to keep them up.

We're going to make sure, we're going to be positive that there are enough real jobs created by the economy—not by government—so that all of you, some 2 million of you who come from our schools can use the skills you have learned in these three colleges and live a rich, rewarding life in this great country where we all are so proud.

You and I and every other thinking American wants long term, sustainable growth that won't be undermined by inflation. To keep the cost of living down, I intend to keep the cost of government down. We darn well better do it.

We've already made some very real progress. My budget cuts in half the rate of growth in Federal spending we've seen over the last decade. And by 46 vetoes of legislation sent to me by the Congress in the last 19 months—39 of them have been sustained—and as a result of those vetoes—and the Congress has supported the sustaining of those vetoes—we have saved the taxpayer $13 billion. And we will veto more of them.

By continuing the commonsense approach that I've been taking, we can have a balanced budget by 1979. And that means a further major tax cut will be possible, putting more money back into the American taxpayer's pocket; that is, into your pocket.

You have as many good uses for that money as the Government does, perhaps more. Another way we can hold down the cost of government is by using Federal dollars in the most effective way possible, not by junking good programs along with bad ones, not by dumping them into the laps of State and local units of government, but by sensibly improving the ones that do work and getting rid of those programs that don't work.

Revenue sharing is an excellent example of a Federal program that has

worked. It combines the efficiency of the Federal revenue raising system with the effectiveness of local decisionmaking. Under the current 5-year program, which ends December 31 of 1976, State and local units of government in Illinois will have received $1½ billion in general revenue sharing funds from the Federal Government. That's not just an abstract figure. Those dollars have helped educate your children.

In Marion, they have helped build sewers and water lines; in Williamson County they have played a very crucial role in keeping you and your family safe from crime. That's the kind of responsive Federal program we need more of, not less.

So, I intend, hopefully with the help of Congress—put a little pressure on Paul Findley and Paul Simon over here. Tell them to get that legislation out of the Committee on Government Operations and on the floor of the House and passed. It's been there far too long. It ought to be passed by the Congress, not resting in "no action" in the Committee on Government Operations.

I think Congress will finally pass it, but you have to really get the law enacted for the next 5¾ years so we can continue the general revenue sharing program. It will substantially increase the amount of money flowing back to your State and local units of government.

Revenue sharing has proven its value in any realistic appraisal of the Federal Government's role, and realism is what I believe in, not rhetoric. Part of what I think is a very realistic program—we have to take a hard look at our country's long-term problems.

Energy is high on that list. The long lines at the gasoline stations may have faded from the memories of many Americans, but I haven't forgotten them, and I hope you will not. They taught us a lesson to remember: that we are far, far too dependent on other countries for our energy needs. And since those gasoline lines of some 24 months ago, the production of American oil and gas has gone down, and we have become, day by day by day, more dependent on foreign oil sources. And that's not good for America.

Let me say, to deal with this urgent problem, I have submitted a score of major legislative proposals aimed at helping the United States to achieve energy independence. Unfortunately, we've only had 4 out of those 13 major proposals passed by the Congress. These other proposals are absolutely essential if America, by 1985, is going to be independent of the impact of foreign oil energy sources.

Our rich supplies of coal, which many of you in this area helped bring to the

marketplace, play a very important role in making us energy independent. Under the national energy policy that I have recommended, this means a vital and essential, important role for the great State of Illinois, which has bigger bituminous coal reserves than any other State in the Union. You're so lucky, you're so fortunate, and so are we.

Coal is our Nation's most abundant energy resource. But production now—it's hard to believe, but it's true—is about the same as it was a half century ago, roughly 600 million tons a year.

I have urged a comprehensive coal policy to assure that our coal production will top 1 billion tons in 1985. My policy includes measures aimed at improving coal production, transportation, and its use. In the 1977 budget that I submitted to the Congress in January, I included a 28-percent increase in the funding for coal research and development, so we can make the best possible use of our vast energy resource. And you have thousands and thousands and thousands of tons of that, right here in this area.

We also have to make sure that we can get our energy to where it is needed. This demands a strong and efficient railroad system to make sure energy is available to fuel America's industry. The Rail Revitalization Act of 1976, which Congress passed and I signed into law about a month ago, will help ensure the strong transportation industry that we need to achieve our goal of energy independence.

The act authorizes over $6 billion in appropriations and loan guarantees. Over $2 billion of that money will go to support a new rail system, Conrail, and enable it to upgrade its tracks and the quality of its service. This includes lines stretching across Illinois eastward from St. Louis, and also south into this region, right through Williamson County, improving transportation of coal. That's just one way the Federal Government can play a positive, constructive part in an area like this rich and productive future.

I intend to continue making government more responsive to your needs and the needs of all Americans, not by tilting the Federal Government on its ear, but by giving it a new balance—a balanced fiscal policy, a new balance of power between the Federal, State, and local authorities, a new balance between those who pay taxes and those who benefit from them. The word balance may not sound very dramatic, but I don't believe government should be theatrical, just effective.

And now, I'll be glad to answer your questions.

QUESTIONS

CONSOLIDATION OF GOVERNMENT DEPARTMENTS AND AGENCIES

[1.] Q. Mr. President, is it economically feasible for Mr. Carter, if he is elected, to consolidate all Government agencies into just a few?

THE PRESIDENT. Let me see if I understand the question. If Mr. Carter is elected President, would it be feasible for him to consolidate all Federal Government agencies into just a few? Is that the question?

Q. Yes, sir, that's right.

THE PRESIDENT. I don't think it's practical. I happen to believe that the basic structure—the basic structure—of the Federal Government is good. I think there must be some realignments, but I don't think we have to tear it asunder and throw a lot of different departments into one or more that don't have any relationship to one another.

It may be desirable—let me put it this way—it may be desirable to establish what was done in 1947 or '48, with what they call the Hoover Commission. The Hoover Commission was a group of outside, primarily, experts with a few Members of the Congress, and they studied about 2 years the overall organizational setup of the Federal Government. They made some recommendations. Congress approved roughly 75 percent of them.

It may be desirable to take a look, but just to say you can have a quick fix, as some people have suggested, I don't think is very practical.

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

[2.] Q. Mr. President, according to the national student lobby and the Association of Illinois Student Governments, the basic educational opportunity grant has devastated billions of dollars. This has hurt students throughout the State in Illinois, because, with the Illinois State Scholarship Commission, students are now being billed to pay back 14 percent of these funds.

We would like to know if a bill passed—a supplemental bill for the basic educational opportunity grant through Congress or Senate—if you would sign it or not sign it? We would like to know if you would veto it. Also, we would like to know what the chances are, or what you would propose to change the bill from being where students would have to pay the money back?

THE PRESIDENT. Well, as I recollect, in the budget for fiscal 1977, I recommended about $1 billion in basic opportunity grant funding, which is a substantial increase over the present. Now, we have a wide variety of programs in addition to the basic opportunity grant program. We have the loan guarantee;

we have the work incentive program. There are three or four others; I can't remember their names. But it seems to me, that if the Government loans something to somebody, whether it's for business or an education or anything else, and the person signs to borrow that money on those terms, there is an obligation to repay it. Now, the terms of repayment, as I think you know, are very generous.

Q. I was understanding that, but mine was according to the grant that students receive. They receive so much money and this is not a payback situation. The question is students who are not financially able to go to college can receive basic educational opportunity grants. These are not payback money. The colleges receive the money, and they are disbursed to the students. These students—will they have to pay back this money in a percentage? Like the Illinois State Scholarship, they must pay back 14 percent because they overimbursed people.

THE PRESIDENT. Well, as I understand the grant programs, it's literally a grant. Now, what the schools or the States do—I think they match 10 percent, do they not?—20, it's 20 percent. Now, I don't know what requirements the States have or the schools have for the repayment or the granting of the 20 percent, but if it's a Federal grant, it's a grant.

But on the other hand, we have loan programs, and where there is an obligation to repay—under the generous terms, low interest and deferred payment—I think a student or anybody else, when you sign a contract, you ought to uphold it. But the grants, I think, are to be considered as such. And I submitted about $1 billion in basic opportunity grants for the next fiscal year, which is a substantial increase over the present fiscal year funding.

GRAIN SALES TO THE SOVIET UNION

[3.] Q. Mr. President, I was wondering what the recent wheat failures, what kind of effect it would have upon our trade with Russia?

THE PRESIDENT. The question is, as I understand it, what the projected wheat failure in Oklahoma, western Kansas, and that area would have on our trading with the Soviet Union.

As I understand it from the Secretary of Agriculture, there is a potential 25-percent loss in that area of our wheat production, primarily a winter wheat area. I also am told that that potential 25-percent loss in that area, serious as it is to those farmers, is not a significant loss in our overall winter wheat production.

Number two, we had a record crop of 2 billion bushels in 1975, an alltime record in the United States. So, we have ample supplies from the carryover. And the unfortunate drought in that area—a lack of rain, a lack of snow cover—even if it stays where it is will not have a severely adverse impact on our wheat supplies in 1976, and therefore, would have, I think, no significant impact on our grain sales to the Soviet Union.

EFFECT OF PRIMARY ELECTION RESULTS ON RONALD REAGAN'S CAMPAIGN

[4.] Q. Mr. President, with your recent victories in New England and a possible win in Florida, would you consider that a big win here in Illinois would be a knockout blow to Ronald Reagan's campaign?

THE PRESIDENT. Well, we won in New Hampshire; we won in Vermont; we won in Massachusetts. It's a close race, but I think we're going to win in Florida, and I've been impressed with the warm welcome here in the great State of Illinois. And after you win five in a row, I'd be very encouraged. But I think you would have to ask my opponent what he will do. That's his decision, certainly not mine.

HOUSE INTELLIGENCE COMMITTEE REPORT; POLICYMAKING IN THE FEDERAL GOVERNMENT

[5.] Q. I just would like to start by saying I'm honored to have an audience and that I do love you, President Ford, and I love America. I was concerned—I read recently in the news that Secretary of State Henry Kissinger had accused Otis Pike of a brand of McCarthyism. And this kind of dissent going on between the executive branch and the Congress is something very serious, especially when it concerns our intelligence community. I would like to know how you feel about Henry Kissinger's accusation, if you feel that that was just, and I also have another related question.

I was recently speaking to a United States attorney, and I'm very concerned about what's happening in the United States and in the world. And he stated that the President isn't really running this country and neither is the Congress, but the bureaucrats are. And certainly, I've been watching your administration very closely in trying to grasp what's happening, and it seems to me that the balance of power is tipping in favor of the bureaucracy. And I, as a citizen, feel that there is need in our government to balance this type of change.

THE PRESIDENT. Well, let me answer the first question in this way: The Pike Committee of the House of Representatives was given the job to investigate allegations concerning the Central Intelligence Agency and other intelligence-

gathering agencies to determine whether those agencies or individuals in those agencies had violated the law or the rights of American citizens.

That committee came to the executive branch of the Government and asked for literally thousands and thousands and thousands of files and information. Probably 99 percent of it was either top secret, secret, or confidential.

And I issued an order that I would give to that committee or order people under my jurisdiction to give to that committee all of the material they wanted—all of it—with the understanding that if they were to write a report and include any of the secret or top secret information in it, before they would print the report publicly—and if people in the executive branch said it would be injurious or harmful to the United States of America—they would give me the opportunity of reviewing that report.

The committee did not follow through with that procedure. Somebody either on the committee staff or a member of the committee—and I don't know which—released that report to the public without giving me the opportunity of reviewing whether vital secrets of this country were to be made available to the enemy.

Now, I think whoever released that report—whether it was a member of the committee or a member of the staff—did a great disservice to this country. And there was material in that report that was never approved, as I recollect, by all of the members of that committee.

And to release that report with those secrets and those comments concerning the Secretary of State and others, I think was a disservice to this country. And the Secretary of State used the language that he did because he was distraught by the revelation of the classified material and the implications that were alleged against him. I think it was a very unfortunate action by somebody on the committee or the staff of that committee, and I condemn it. I think it was a disservice to this country.

Now, the second question: I don't think the bureaucrats run this Government. The policies of this administration and, I think, the policies of previous administrations are made by the President, the Cabinet members, and the other top officials.

I must confess, sometimes the orders that are issued in the White House or in the Department of Agriculture, at the top, are not always carried out precisely as they are directed. But basically, this country is run by those either who have been elected or those who have been appointed, and I don't think we should lose faith in this Government. Some bureaucrats probably don't do it the way we'd

like it, but the system is good. All we have to do is correct it, and we're working at it.

FORMER PRESIDENT NIXON'S VISIT TO CHINA

[6.] Q. Mr. President, what are your feelings about Mr. Nixon's recent trip to Red China, and do you feel that that hurt your campaign?

THE PRESIDENT. The question, as I understand it, was, how do I feel about Mr. Nixon's trip to China and has it had an adverse impact on my campaign?

I have said—and I think I should repeat—that Mr. Nixon was invited by the People's Republic of China. He went there as a private citizen. He didn't go there to carry out any foreign policy directives that I would issue as President of the United States. He went as a private citizen, as their guest.

I do feel that the timing of the trip probably had some adverse impact in the New Hampshire primary—not enough, fortunately, but at least it may have had some. But overall, we haven't been able to come to any concrete conclusion as to whether it was good or bad. I'm glad he is back safely, and we are just going on with our program in the Government and in the campaign, because we've got a lot of things to do.

Q. Mr. President, as long as we're talking about former President Nixon, do you think it's right that the United States Government spent $250,000 while he was over there?

THE PRESIDENT. Let me repeat the question so everybody knows it. The question is, was it right for the Federal Government to pay $250,000 for Mr. Nixon to go to the People's Republic of China? Is that the question?

The Federal Government didn't pay 1 penny for his transportation, for his lodging, for his food, the cost of—whatever it was. And I don't know whether it was $250,000 or not, but by law—by law—it's mandatory that all former Presidents and all widows of former Presidents are given Secret Service protection. That's what the law says. So, whatever the cost was, it was required by law. I don't think it was that much, but whatever the cost was it was a matter of law. And I happen to think we ought to obey the law.

BLACK LUNG LEGISLATION

[7.] Q. Mr. President, my question is on the new liberalization of the black lung act or law. Being a coal miner, I'm concerned about this and about your stance, and also Senator Percy and maybe some of the other men up there, what their opinion is on the new liberalization of the black lung act?

THE PRESIDENT. Well, as I understand the legislation that passed the House a week or so ago by a vote of some 240 to 183 against it, what it would do is—say

that if a person worked in a coal mine for 30 years, he is guaranteed a black lung pension or retirement, whatever it is. Whether he ended up with black lung or not, the presumption is he does have it, and he would be paid. Now that is, as I understand, the legislation passed by the House of Representatives.

When I was in the Congress about 5, 6 years ago, when the first black lung legislation was enacted, I voted for it. It provided that if it was determined that a miner who was working or a miner who was retired had black lung, if it was determined by a medical examination, then that individual would qualify for black lung benefits. And it costs about a billion dollars a year at the present time to take care of that problem.

But this is a significant change, because it doesn't require a medical examination. It simply says, if you worked that long, it's automatic.

Now, I haven't made up my mind, because it has only passed one-half of the Congress, but those are the facts as I understand it. If and when the legislation gets down to the White House, I will take a good look at it, but it's a very significant change in existing law. And the Senate, I'm sure, will give it careful consideration before it gets to the White House.

Q. May I make one comment, please, on that? How will this be funded, the new act? Will it be a direct tax on coal, or will it be a tax on the people? I think this is very important. I think most people want to know this.

Also, I don't know if you ever worked or have seen the inside of a coal mine, where a man has to work in an area where at times he is very fortunate to see from me to you very clearly, and the dust is so thick. Of course, it's better now than it has been in the past 5 years, due to the new acts that Congress has passed. But if you would see and realize what 30 years of underground experience would do to a man's health—I have a father and many of you men here have fathers and relatives—you see what it does to them. And I think this is very important, I think you need to really understand what this does to people.

THE PRESIDENT. Well, I fully support the present legislation which says if a person has—by medical examination—acquired black lung, he ought to be paid. No question about that.

Now, in the House legislation, it's my understanding that the payments under the new law, if it becomes law, would come out of the Treasury, not out of industry. I could be wrong, but that's my best recollection.

I think it's a question the Senate ought to look into as to whether the industry ought to bear the burden or whether the general taxpayers should. I expect that the United States Senate will ask the experts in these areas for some opinions in that regard.

Q. Will you veto it?

THE PRESIDENT. It's only half-way through the Congress. I don't indicate publicly until I see the black and white, until I see the language in the law, or proposed law, as to whether I'm going to veto it or not.

We will do one here, and then we've got a young man over here that I want to get a question from.

THE ENVIRONMENT

[8.] Q. Mr. President, although the environment is not a major campaign issue this year, it remains an important issue in the minds of many Americans. As President for 4 additional years, what initiatives will you take to ensure that environmental quality is improved, especially in consideration of a report linking 80 to 90 percent of cancer to pollution of our air and water?

THE PRESIDENT. I think that the environment ought to be discussed in this campaign. I think it's a matter that shouldn't be cast aside. It's a vitally important problem in this country. We kind of woke up to the dangers of the environment, the damage that has been done to our air and water, about 6 years ago, and Congress passed some legislation to try and clean up the air and the water. Some substantial progress has been made.

The Federal Government has spent about $18 billion to help local cities and communities clean up their water and sewerage problems. The Environmental Protection Agency has issued very strict regulations about industry and its efforts to clean up its discharge and to clean up what they do as far as the air is concerned.

Now, I think we have shifted a little bit from an all-out effort to clean up the air and water in 5 years, after we destroyed it for about 100, so that we are going to probably stretch out some of these programs, because you just can't overcome 100 years of neglect in a period of 5 years.

But I can assure you from this administration's point of view, we are going to continue to have a sound, constructive, broad-gauged environmental program. And I can assure you there will be maybe some stretching out for a minimum period of time, but we aren't going to neglect the environment, period.

Q. I'll hold you to that, Mr. President. Thank you.

CHILDHOOD ASPIRATIONS TO BE PRESIDENT

[9.] Q. Mr. President, when you were little, did you ever think that some day you would be President of the United States? [*Laughter*]

THE PRESIDENT. Believe me, we didn't get together ahead of time, did we?

Let me say I suspect, like all young Americans living in a great country like we live in, I might have had a wild dream one time that it would be great to be President. That's one of the blessings we have in America. There might be somebody in this audience, somebody in this audience—it might even be you—who some day could, under our system, be President of the United States.

NOTE: The President spoke at 6:05 p.m. in the gymnasium. In his opening remarks, he referred to Dr. Robert E. Tarvin, president, John A. Logan Community College; Harry W. Abell, president, Southeastern Illinois College; and Dr. Loren E. Klaus, president, Shawnee College.

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Remarks Announcing the Appointment of Jeanne Holm as Special Assistant to the President for Women. *March 8, 1976*

GOOD MORNING, everybody. I am delighted to announce this morning the appointment of Jeanne Holm as the President's Assistant for Women in the White House. She is taking the place of Pat Lindh, who is leaving to go to the State Department.

I am delighted to have you, Jeanne, over here to carry on the very important functions that relate the White House to women throughout the country.

Jeanne, as all of you know, has had a wonderful career in the military. She was the first major general, I think, in the Department of Defense as a woman. She was director of the Air Force activities relating to women from 1968 till 1973, as I recall, retired a year or so ago with great recognition.

She received a Ladies Home Journal award for the Outstanding Woman in Diplomacy in Government. She has been very, very active in a lot of activities concerning the rising, emerging role of women in government. So, we are very, very pleased, Jeanne, to have you on board and to carry on the fine job Pat Lindh has done.

With Pat going over to the State Department and you coming here, we're going to have a first class team, and I am delighted to have you on board.

MAJOR GENERAL HOLM. Thank you, Mr. President. I certainly feel honored and pleased to be here and to be able to work with you. I'm very impressed with the record that you have made in support of the women's issues and certainly with the magnificent appointments that you've made in the last several months—Carla Hills and Anne Armstrong—and your stand on the ERA, an argument involving women for some time.

I assure you I have a personal commitment and an emotional commitment to it. And it's nice to feel that you are going to be working for someone who also has that commitment, and I have a feeling you do.

THE PRESIDENT. We're delighted to have you on board. I think that you will find the job challenging; you'll find it interesting, and you can rest assured I will back you 100 percent.

MAJOR GENERAL HOLM. Thank you, Mr. President.

NOTE: The President spoke at 12:13 p.m. in the Oval Office at the White House.

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Remarks at a Meeting With Members of the House Budget Committee To Discuss the Fiscal Year 1977 Defense Budget. *March 8, 1976*

THE PRESS is here, and we won't start the business, but I wanted to ask you—Brock and Del and the members of the committee—to come down and talk about the defense budget. It is a very significant part, as you know, of this document in dollars as well as substance.

I have recommended $112.7 billion—a $1.7 billion increase for strategic forces and $4.5 billion increase in general purpose forces—and $1 billion more for conventional readiness and $1 billion more in R. & D. It is an increase, but I think it is important, and I hope we can sit and talk about the pros and cons. But it is something that involves all of us, whether we are Democrats or Republicans.

NOTE: The President spoke at 4:35 p.m. in the Cabinet Room at the White House. In his remarks, he referred to Representatives Brock Adams of Washington, chairman, and Delbert L. Latta of Ohio, ranking minority member, House Budget Committee.

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Remarks at the Annual Convention of the Associated General Contractors of America. *March 9, 1976*

Thank you very, very much, Jack, Secretary Usery, Mr. Hogan, Bishop Lyons, members and guests of the Associated General Contractors of America:

At the outset, let me thank you for the very, very warm welcome. It is a great privilege and honor to have the opportunity to address the 57th national convention of the AGC.

I am particularly attracted to the theme of this convention, "Building America in the Spirit of '76." It is a fitting theme for a Bicentennial Year. You can point with pride to the fact that an early forerunner of this organization built Carpenters Hall in Philadelphia where patriots met at the First Continental Congress and planted the seeds of the greatest Nation in the history of the world.

Your history, your progress, your prosperity, and even your hard times have been closely linked with America's own. And as the president of this association, Jack, as you have said, you prosper only if the entire economy in which you operate is likewise healthy.

In the recent past we all recognize America's economic health has not been very good. The construction industry has been especially hard-hit by the worst economic recession America has suffered in the last 40 years. But there can be no doubt now that our national economy is rebounding in a strong, solid, and a very encouraging way. Every week we are hearing more and more and more good economic news.

Unemployment—surely one of the strongest and stubbornest of all our economic enemies—has been reduced from a high of 8.9 percent nationwide just last May to the current rate of 7.6.

The January unemployment figures showed the biggest monthly improvement in more than 16 years. Now, some cynics or skeptics call it a fluke; I called it progress, and the unemployment figures for February proved me 100 percent right. For the last 4 months we have been winning the battles against unemployment, and we are not going to stop until we win the war, and the quicker the better.

The economic statistics for February also showed that we have recovered 100 percent of the jobs lost by America during the recession. The figures actually showed that 86.3 million Americans were gainfully employed in February, reaching the alltime high of gainfully employed in this great country. This is real, undeniable progress. But we are not satisfied, and we will not be satisfied until every American who wants a job can find a job and we have full employment in all 50 States.

Yes, we are waging a war on other economic enemies as well—inflation—the cruelest, most deceitful, and most pervasive tax of all has been cut almost half since September of 1974. That is still not good enough, but we will do better and better in the months ahead. I will keep the pressure on until inflation is no longer a threat to our savings, to our paychecks, and to our economic future.

Let me speak for a moment about the Federal budget. For the last 10 years Federal spending has been increasing at the annual rate of 10 percent. In the

fiscal year budget for 1977, which I submitted to the Congress in January of this year, I cut that growth rate in Federal spending by 50 percent. Since becoming President I vetoed 46 bills, including one of particular interest to you. But it is interesting to note that 39 of those vetoes were sustained by the Congress. That is not a bad batting average. But most importantly, those vetoes will save the American taxpayers $13 billion, and that's progress by any standards.

If we can keep that kind of pressure on and hold the spending down, we can do three things that really ought to be done, and as I see it, must be done.

First, we can balance the Federal budget by fiscal year 1979; second, we can cut taxes again; and thirdly, we can get the Government out of competition with you and those associated with you in the private money market. And that is exactly what we plan to do.

There is even more good economic news. The Commerce Department recently announced that the index of leading economic indicators rose by 2.2 percent in January, the largest increase in 6 months. That index showed improvement in 9 out of the 11 components of our economy.

Just last week it was announced that new factory orders in January totaled $88,400 million and new orders for durable goods increased by a very strong 2.2 percent over the previous month. Real earnings for the average American have increased significantly in recent months and wholesale prices are actually going down.

The index of consumer confidence is double what it was a year ago, and that is a real key as we move forward in the months ahead.

I could say, in all honesty, the list goes on and on. However, it is easy to get lost in a sea of statistics when we talk about economics. But let me assure you of one thing—these figures are not political fiction, they are hard economic fact and they are putting us on the road to a new prosperity in the United States of America.

Some people, especially some politicians, may deny it because the prospect of prosperity in 1976 didn't quite fit into their plans for this year. They may continue to deny it with every new announcement of economic progress and criticize the policies we followed to work our way out of this recession.

But, as Winston Churchill once said, and I quote: "I do not resent criticism, even when for the sake of emphasis, it parts for a [the] time with reality."

Yes, we have a lot farther to go, but there can no longer be any doubt that America's economic recovery is real, it is strong, and we intend to make it permanent. We are entering our Bicentennial Year with cause for hope, more

reasonable expectations of progress than even the optimists would have dared to imagine just a few short months ago.

The forecasts of doom and gloom, each more dire and desperate than the last, were wrong once again. The false prophets among us once again underestimated the courage, the determination, and the ingenuity and the indomitable spirit of the American people. I have never underestimated the American people, and I don't think you have or you will. I can assure each and every one of you that I never will.

The American people did not panic in the face of adversity, and the American free enterprise system did not fail to respond to one of its greatest and most complex challenges. Through the commonsense steps that I initiated—tax cuts for individuals, tax incentives for business expansion and job production, and extended assistance for those Americans hardest hit by our national adversity—we are working our way out of the worst recession in 40 years. And we did it without resorting to wage and price controls, massive new spending programs by the Federal Government, or any of the other so-called cures that the patient might not have survived.

Unfortunately, as you know better than I, the construction industry has not shared fully in the recovery we are experiencing nationwide. Unemployment in your industry remains far too high and the volume of your business activity remains much too low. Within the constraint of Federal fiscal responsibility, I am doing everything practical and possible at the Federal level to help your industry restore its economic health.

In the budget for fiscal year 1977—let me illustrate. I have proposed that the Federal Government spend more than $21 billion for construction of highways, hospitals, schools, water and sewerage treatment plants, mass transit facilities, libraries, dams, buildings, and other major construction projects. That is an increase of more than $3 billion in expenditures over the budget for fiscal year 1976. I think you have a great opportunity to move in and move up in this fiscal year 1977.

In my State of the Union Message, I proposed an accelerated depreciation allowance for new job-creating construction and expansion in those areas of the country with the highest levels of unemployment. If the Congress will act, we can get that program going this year and get your industry going along with it.

In the 1977 budget, I have proposed a 30-percent increase in research and development over last year. For example, over 100 new nuclear plants and about 200 coal-fired powerplants could be built by 1985. We will also have to construct

several synthetic fuel plants, develop hundreds of new coal mines, many new refineries, and thousands of oil wells, but they won't be developed unless we remove the impediments now in their way.

I propose numerous legislative measures designed to help speed up our energy development. If the Congress will use a little of its own energy, we have the programs and we have the resources to make America energy independent, and we must.

This national energy effort can do so much for our country. It can create hundreds of thousands of jobs, generate extraordinary expansion and growth for our economy, and help make certain that America will enjoy its third century of independence truly independent of foreign domination and foreign control.

Our energy situation today is still too fragile, our dependence still too great for us to forget the lessons of recent years so quickly; 1973, we must not forget. Energy independence must not lose its place in the American people's list of concerns. It must have a high, high rank in our national priorities. And in this administration let me assure you that it does.

In the field of energy and in so many other fields of enterprise and endeavor, we can truly build a better America in the spirit of '76—a spirit that calls for courage, compassion, the common sense and the capacity for hard work that Americans have demonstrated for the past 200 years. We can build, rebuild, and revitalize America's cities, not by government action alone, but through the imaginative and cooperative efforts of both the public and the private sectors.

We can make our cities safe, enjoyable, comfortable, workable, and governable again. We can protect our environment better and, at the same time, we can make sure that extreme environmental demand and endless environmental delays do not make progress impossible in America.

We can make government a responsible, capable servant of the people and a powerful instrument of progress without letting the government enslave us with endless rolls of redtape and regulation. We can do all of this and more, too, because we have the will, the courage, and the resources and the imagination to do it. We can build a better America—stronger, wealthier, safer, healthier, happier America—an America that we can be proud to leave to our children and to our grandchildren.

Let us work together to reach that goal together, and let's celebrate this Bicentennial Year with hope, with pride, and with increasing prosperity, and with confidence in a promising future.

That is the way I look at America's prospects. So, we can all say, as we do today, "I am proud to be an American and proud of America."

Thank you very much.

NOTE: The President spoke at 2:30 p.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to John N. Matich, president, Ben M. Hogan, senior vice president, Associated General Contractors of America, and Rev. Thomas W. Lyons, auxiliary bishop, archdiocese of Washington.

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Remarks at a Reception for Delegates Attending the B'nai B'rith International Bicentennial Convention. *March 9, 1976*

Mrs. Smith, Mrs. Rockefeller, my daughter, Susan, and all of you wonderful members of this great organization, B'nai B'rith—and I see a few men chiseling in:

Really, Betty was supposed to be here along with Mrs. Rockefeller. Unfortunately, she is out in Arizona and California today and tomorrow. Let me give you some inside dope, sort of a family secret. She is going to Arizona and California to try and get my votes up to her polls. [*Laughter*]

But I do want to welcome you all to the wonderful White House. You are going to have the privilege of hearing Happy Rockefeller and Susan. And they are very good speakers. And when I heard that you were all here, I thought I would come over and preempt about a minute or two of your time.

I have had the privilege and the pleasure of working with your organization as well as your male counterparts over the years when I was in Michigan and particularly when I was in—we have only got 47 more States to go. [*Laughter*]

I do want to say a word very seriously for a moment. The United States has long had a history of supporting the Government of Israel. I think all of us recognize that this is an issue that is not partisan. Great Democratic Presidents, great Republican Presidents have stood firm and fast in recommending programs, recommending policies, recommending appropriations for the security and the survival of Israel, and this administration is doing exactly the same thing.

We recognize, of course, that Israel is a democratic country in an area that is controversial, complex, volatile. And the 3 million-plus citizens of Israel, because of their staunch and steadfast defense of freedom, need the help and assistance of 215 million Americans whether they are Democrats or Republicans.

I happen to have heard on the way over here that you have a great theme for 1976, one that ties in with the Bicentennial of our country, that we should be celebrating this beginning of a third century because of the great heritage that we have inherited from our forefathers who gave us what we have through their hard work, their wisdom, their knowledge for the last 200 years.

There is an old saying that I used to hear in Sunday school—and that goes back a long time—that the beauty of Joseph's coat is its many colors. The strength, as I see it, of America today is what our forefathers gave us through their hard work and all of the other wonderful characteristics that they exhibited during this period of two centuries.

We started, as you know, with something less than 3 million Americans when the Constitution and our government was actually formed, but over the years America has welcomed people from all over the world. We have opened our doors and the net result is, we have a special character, a special strength in this country because we are—as I said, the beauty of Joseph's coat is its many colors.

And in the future, the United States must equally welcome those who come from other shores because we have been given an opportunity here that exists no place in the world except America to enjoy the blessings of freedom, the blessings of opportunity in politics, in economics, in professions, and elsewhere. We are so fortunate in this great country, and it is our obligation and our responsibility, regardless of any political persuasion we may have, to stand tall and strong for America at home and America abroad.

And let me just close with this final comment. I know that in the breasts and the minds of each and every one of you, as it is in all of your fellow Americans, a great sense of pride in this country. And I, literally, at night, when I go to sleep, say to myself—and I think you probably do, too—that I am proud to be an American, and I am proud of America.

Thank you very much.

NOTE: The President spoke at 3:18 p.m. in the East Room at the White House to delegates from the United States, Canada, Israel, Europe, and South America attending the 4-day women's convention at the Shoreham Americana Hotel.

In his opening remarks, he referred to Mrs. Helen T. Smith, international president of B'nai B'rith, Mrs. Happy Rockefeller, wife of Vice President Nelson A. Rockefeller, and Susan Ford.

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Remarks at the Annual Congressional Dinner of the Veterans of Foreign Wars. *March 9, 1976*

Thank you very, very much, Pete. My dear friend, Congressman Eddie Hébert, my former colleagues in the House as well as in the Senate, distinguished members of the VFW and guests:

Obviously, it is a very great privilege and pleasure to be here tonight, and I thank you from the bottom of my heart for the very warm welcome. All I can say is it feels as warm and as comforting as a ray of Florida sunshine. [*Laughter*]

As a very proud member of VFW Old Kent Post 830, let me say how happy I am to be here with you tonight at this annual banquet for Members of Congress. If I were to go back and count how many times I have come as a Member of the House, joining all of the VFW members from Michigan and my own hometown, I have had many, many enjoyable and delightful evenings. And I thank you for those occasions as well as this affair tonight.

At this annual banquet let me pay tribute to and congratulate Joanne Larson and all of the other winners of the VFW Voice of Democracy contests. You have had some great winners in the past, you have got some great winners tonight, and I think it is a great program that the VFW can be proud of, not only this year but for all the years. And I strongly hope, Pete, that the VFW will continue this program in the future.

Let me start out by saying that this afternoon at the White House I received a visit from a fellow Michigander named Marla Maraquin, the VFW Buddy Poppy Girl for 1976. As an interested observer, let me say what a sweet young lady. As she left, she whispered, "Goodby, Jerry." [*Laughter*] Well she is a charming 12-year-old gal from the VFW's national home in Eaton Rapids, and I know she will help all of us to have a very successful Buddy Poppy campaign this year.

I suspect that many of you in this audience have visited the VFW home in Eaton Rapids. If you haven't, you should; it is a great, great inspiration, and she will do for that home and for all of us and especially for the young people who are there—her job will make it easier for all of us to be very proud of that effort, that home, and the VFW.

Marla, good luck, and God bless you.

I recall just about a year ago, maybe a year and a half ago, I had the honor of speaking to your 75th national convention shortly after I became President. At

that time, I had the pleasure of announcing to the convention that I was supporting Dick Roudebush, my former colleague in the Congress and a past national commander of the VFW, to be head of the Veterans Administration. I said then that I was completely confident that Roudy would be a first-class Administrator, and 18 months later I am glad to say we can all agree he has done an outstanding job in that great responsibility. Roudy's fine work as an Administrator assures that veterans are going to get the most out of their new VA budget for fiscal year 1977 as they did in 1975 and in 1976.

Now despite the fiscal constraints that we have to be realistic about, the budget that I submitted to the Congress includes a record amount of over $4 billion for VA medical care. The budget includes requested funds for more than 9,000 new VA medical personnel in the budgets for fiscal year 1976 and 1977.

What it proves is precisely this: We in this Government, the executive as well as the legislative, will provide more funding, more people, and even better facilities to give eligible veterans the highest quality and fastest possible care that we can provide.

One of our very distinguished Members of the Congress who shares my concern for veterans is my very good friend, Eddie Hébert, whom all of you are rightly honoring tonight. I have respected Eddie's enormous talents and tremendous capabilities ever since I entered the Congress in 1949. At that time, he had already spent almost a decade in the House of Representatives, and he had been serving the American public even longer than that as a gifted and courageous journalist in his home State of Louisiana.

We have served in the Government together, and it has been a great experience, Eddie, for more than a quarter of a century. Over that period, we have always enjoyed—and I mean really enjoyed— a very close, personal relationship, which I cherish.

I have always had a very special respect for two things that Eddie Hébert has stood for throughout his career. He has always been a strong supporter of responsible fiscal responsibility and sensible restraints on government spending, and he has always stood for something else—and I know all of us in this room tonight believe in—a strong and secure United States of America. And I salute you, Eddie, for that policy.

Eddie and I have fought shoulder-to-shoulder for high defense dollars and the strongest military capability for all of our forces. And in retrospect, it has been right, and we should be proud of the fact that that policy has generally prevailed. Our administration's foreign policy and our Government's defense

policy are actually a single national policy which can be summed up in three words—peace through strength.

Let's take a moment to look at what those three words mean. We are all in favor of peace, and for a veteran the word "peace" has a very special meaning. Those of us who have seen war cherish the comradeship that we enjoyed as individuals brought together under uniquely demanding circumstances, and each of us in our own way could recite instances where those comradeships have meant much to us over the years. But we remember the friends we lost as well as the friends we made. We will never forget the terrible cost of war in terms of human suffering, in blood and pain, and lives cut tragically short.

Another world war, as we are all aware, would mean death and destruction on a scale so vast that human minds could hardly comprehend it. And so peace today is more imperative than ever. Whatever our field of endeavor—in private life, in business, in government—we know that in a nuclear age there can be no lasting accomplishments without a lasting peace.

The United States, we are proud to say, is a peaceful nation and we are a strong nation. History has taught us that we can remain at peace only if we remain strong. We can remain free only if we remain firm. And most importantly, we can remain proud Americans only if we stand ready to defend America.

One measure of our strength as a nation is our deep rooted belief in freedom. For 200 years our faith in government by the people, for the people has endured. We have had the strength to resist the strains that might have broken the will of others. Our strength has meant that we as a people are not easily intimidated. We can recognize and respond to real danger without crying wolf at a false one. Our national strength is surpassed by no other nation. Our fighting forces are second to none. We are a strong nation in physical equipment and will, and to suggest otherwise, in my opinion, is irresponsible and reckless. But we must continue to make sure that we will stay a strong nation.

The defense budget I submitted as President last year, the first one I had the privilege of submitting to the Congress, was more than $100 billion. I think the Congress went too deeply in cutting it, but that is history. This year I have gone to the Congress with a record peacetime defense budget of more than $112 billion. It sounds like a lot of money, and it is, but that money is well spent.

It is well spent if we deter aggression, maintain the peace, and make certain and positive that our national security is secure. It is the best investment that we can make. And I urge all of my former colleagues and the new ones in the

Congress and all of you to stand up and sell it to make sure that we have the necessary wherewithal so that no enemy will be tempted and no ally will be insecure. We have to have this kind of military capability, and I hope and trust from the bottom of my heart that we get the necessary weapons, the necessary training, the necessary planning, the necessary will in all 215 million Americans so that we don't have to worry. We just have to be strong in equipment as well as in will.

I am sure that Eddie Hébert feels as I do—we always did. We had a few differences on the floor of the House on occasion but that was good exercise for both of us. But the main point is that Eddie Hébert and I have—he as a Democrat and I as a Republican—we believed in the traditional bipartisan spirit in favor of national security. And I am an optimist to believe that that same spirit prevails today in the House as well as in the Senate—that even in an election year the need to maintain a strong national defense is more pressing than politics. It darn well better be.

So, I am confident that all of us who feels this way have a mission to perform. Individually and collectively, we will pursue a policy of peace through strength, we will make sure that America remains as strong—and I underline strong—as she is free, now and forever.

Thank you very, very much.

NOTE: The President spoke at 8:48 p.m. at the Sheraton-Park Hotel. In his opening remarks, he referred to Thomas C. (Pete) Walker, Commander in Chief of the VFW.

198

Exchange With a Reporter on the Florida Primary Election Results. *March 9, 1976*

REPORTER. Mr. President, what do you think of the results in Florida?

THE PRESIDENT. Well, naturally I was extremely pleased with the wonderful job all of our people did in Florida. They just did a tremendous job. I am delighted with the effort that was made, but also the deep conviction that our people had, and I am just overjoyed with the results.

Q. Does this mean you are on the way? Do you think it is time for your opponents to get out of the race?

THE PRESIDENT. Oh, I would not get into that. Tonight is not a night to talk about victory except to thank people for the fine job they did.

Q. Mr. President, thank you.

THE PRESIDENT. Thank you.

NOTE: The exchange began at 9:38 p.m. as the President was leaving the Sheraton-Park Hotel following his address to the Veterans of Foreign Wars.

199

Statement Announcing Expansion of the Foreign Intelligence Advisory Board. *March 9, 1976*

TWO WEEKS ago, I announced to the Nation a comprehensive program to strengthen the foreign intelligence agencies of the United States Government. My actions were designed to achieve two basic objectives:

—First to ensure that we have the best possible information on which to base our policies toward other nations;

—And second, to ensure that our foreign intelligence agencies do not infringe on the rights of American citizens.

Today, as an additional part of this effort, I am announcing the expansion of my Foreign Intelligence Advisory Board. This Board was set up in 1956 in order to provide independent, nonpartisan advice on the effectiveness of the intelligence community in meeting the intelligence needs of the President. Since 1974, the Board has been composed of 10 members, all of whom are private citizens.

I am announcing today that I am expanding the Board to 17 members, and I am appointing the following members to the Board:

STEPHEN AILES
LESLIE C. ARENDS
ADM. GEORGE W. ANDERSON
WILLIAM O. BAKER
WILLIAM J. CASEY
LEO CHERNE
JOHN B. CONNALLY
JOHN S. FOSTER, JR.
ROBERT W. GALVIN
GORDON GRAY
MELVIN LAIRD
EDWIN H. LAND
GEN. LYMAN L. LEMNITZER
CLARE BOOTHE LUCE
ROBERT MURPHY
EDWARD TELLER
EDWARD BENNETT WILLIAMS

I am announcing my decision to have Leo Cherne serve as the new Chairman of the Board.

The intelligence needs of the '70's and beyond require the use of highly sophisticated technology. Furthermore, there are new areas of concern which demand our attention. No longer does this country face only military threats. New threats are presented in such areas as economic reprisal and international terrorism. The combined experience and expertise of the members of this Board will be an invaluable resource as we seek solutions to the foreign intelligence problems of today and the future.

In developing the Nation's offensive and defensive strategy to conduct foreign policy and provide for the national security, we must be able to deal with problems covering the broadest spectrum of activities.

By strengthening the Board as I have done today, and by giving the Board my full personal support, I fully anticipate that the Foreign Intelligence Advisory Board will continue its indispensable role in advising me on the effectiveness of our foreign intelligence efforts.

200

Memorandum Establishing the Agricultural Policy Committee. *March 11, 1976*

Memorandum for: Secretary of State, Secretary of the Treasury, Secretary of Agriculture, Secretary of Commerce, Special Representative for Trade Negotiations, Chairman of the Council of Economic Advisers, Director of the Office of Management and Budget, Assistant to the President for Domestic Affairs, Assistant to the President for Economic Affairs, Assistant to the President for National Security Affairs, Special Assistant to the President for Consumer Affairs, Acting Executive Director of the Council on International Economic Policy

Subject: Establishment of Agricultural Policy Committee

This memorandum is to advise you of a recent agricultural policy making reorganization within my Administration.

I am creating a new Agricultural Policy Committee. Each of you is being designated as a member of this Committee, with Secretary of Agriculture Earl Butz serving as Chairman.

This new Committee consolidates agricultural policy making into one group, which will advise me on the formulation, coordination and implementation of all food and agricultural policy. The scope of the Committee includes both domestic and international food and agricultural issues.

As you know, I am deeply interested in the many food and agricultural policy issues which face our Nation and the world.

I view this new Committee as the appropriate mechanism for dealing with these issues. It is my hope that your active participation in this Committee and the full support of your departments and agencies will lead to the success of this important new Committee in resolving the many significant issues of food and agricultural policy.

GERALD R. FORD

201

Statement on Signing the Reclamation Authorization Act of 1975. *March 11, 1976*

I HAVE today approved S. 151, the "Reclamation Authorization Act of 1975."

S. 151 authorizes four separate projects to be undertaken by the Bureau of Reclamation: Polecat Bench, Wyoming; Dickinson Dam, North Dakota; McKay Dam and Reservoir, Oregon; and Pollock-Herreid unit, South Dakota.

The bill reauthorizes the Polecat Bench project to provide water for irrigation of 19,200 acres of land, a municipal and industrial water supply, and water for conservation and recreation purposes.

The Pollock-Herreid project, South Dakota, is based on a plan to divert water by pumping from the existing Lake Oahe on the Missouri River. The principal purposes of the project are to supply onfarm sprinkler irrigation for 15,000 acres of land and to supply municipal and industrial water to two communities.

The Dickinson Dam project, North Dakota, consists of certain modifications to be made to the Dickinson Dam to make additional municipal and industrial water available to the city of Dickinson, North Dakota, and to increase the existing spillway capacity to provide additional safety allowances in light of increased estimates of possible maximum flows.

The McKay Dam project, Oregon, is similar to the Dickinson Dam project in that it provides for increasing the capacity of the spillway of the dam for safety purposes. S. 151 also reauthorizes the project for additional purposes, including flood control, fish and wildlife, and recreation, as well as the existing irrigation function.

Although I have signed S. 151, it should be noted that I have several reservations about the bill and my implementation of its provisions will be subject to the following constraints:

First, the Polecat Bench project previously failed the test of cost-effectiveness, a test which is applied to other water resource projects generally. This project needs to be reexamined in light of new economic factors to see if it is economically justified. Similarly, the executive branch has not completed its study of the Pollock-Herreid unit and submitted a report on its feasibility to the Congress. Until such reports are prepared, there is no adequate basis for appraising the merits of these projects. Accordingly, I will not seek funds for either project until a cost-effectiveness study has been completed and the project is demonstrated to be economically justified.

Second, the bill requires work on the latter two projects—McKay Dam and Dickinson Dam—solely at Federal expense. Safety is normally an integral design and operation feature of a federally constructed dam, to be paid for by project beneficiaries.

I do not endorse any policy which requires the Federal Government to pay the entire cost of work to improve dam safety in all situations involving modifications to federally built dams. The general question of Federal policy on the safety of dams will be considered when a congressionally directed report on that subject, now underway by the Department of the Army, is completed, and when new cost-sharing recommendations for water projects are made later this year.

Therefore, I will not seek any funds for these two projects until the study has been completed and the executive branch has made its recommendations on cost-sharing for water projects.

NOTE: As enacted, S. 151 is Public Law 94–288 (90 Stat. 205).

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Exchange With Reporters on Arrival at Rockford, Illinois. *March 11, 1976*

GOOD AFTERNOON. It is a great pleasure to be here in Rockford with the fine Congressman from this area, John Anderson, and, of course, with Senator Chuck Percy. I have been in Addison several times, came here to speak on John's behalf a few years ago, and been up here with Chuck in this part of the State. It is delightful to be here, and I would be glad to answer any questions.

REPORTER. Mr. President, Ronald Reagan has now raised the Watergate issue. Do you think it is a valid issue? And, two, I think he has termed, indirect to you, a relic of a past year Republicans would like to forget. What is your response to this?

THE PRESIDENT. I think the best response as to whether or not I have connection with Watergate is the fact that the Congress of the United States, the House and the Senate—a Democratic Congress—overwhelmingly approved me as the nominee for Vice President. I think there were 3 votes against me in the Senate and 90-some for me; in the House of Representatives, 30-some against me and 300 or thereabouts for me. And this overwhelming vote in both the House and the Senate came after very intensive, extensive investigations by the House Committee on the Judiciary and by the Senate Committee on Rules.

So, the Congress, a Democratic Congress, was absolutely convinced I had no connection whatsoever with Watergate. So, I think that ought to lay that allegation to rest once and for all.

Q. Mr. President, you vetoed the program to help the unemployed areas that Congressman Anderson so supported. This area has a 12-percent unemployment rate. You vetoed it. How do you feel about it now?

THE PRESIDENT. Well I have, of course, talked to John Anderson about this, and I am very familiar with the very high unemployment rate here in Rockford. But as John and I have agreed, the substitute which we have proposed, that I have endorsed, would give some $500 million to the Rockford area in contrast to the countercyclical portion of the bill that I vetoed where only some $225 million would be available. So, under the proposal that I support, that John, I think, also endorses, there would be over twice as much cash or Federal money coming into the Rockford area under our bill in contrast to the bill that I vetoed.

Q. The U.S.S. *Monterey,* Mr. President.

THE PRESIDENT. We won the war. [*Laughter*]

Q. What importance is the Illinois primary? And if Mr. Reagan loses here in Illinois, what does that mean for the rest of the race?

THE PRESIDENT. We are confident that I will win in Illinois. I always assume it will be a close contest, and I do today. But I think the good organization that we have in the State under former Governor Ogilvie and the strong endorsement of Chuck Percy and the Illinois congressional delegation plus great, great support throughout the State among party people as well as others convinces me that we are going to win. Illinois is very critical. It is the first primary in the Middle West and, of course, it is a great State in this area of the country. Now, a win here would be very encouraging to me, and I suspect it might be rather discouraging to my opponent.

Q. Do you think you would choose Ronald Reagan as a Vice-Presidential running mate?

THE PRESIDENT. I have indicated that we have a number of very outstanding potential Republicans for the Vice-Presidency. I think he would have to be included.

Q. Reagan has said he would fire Secretary Kissinger if he got to be President. What do you say to that?

THE PRESIDENT. Well, in the first place, I don't think he will be nominated, and I doubt if he will be elected. But I happen to believe when you look at the results of our foreign policy, where we have achieved significant success in the Middle East with two agreements that have laid the foundation for success in settling the vast differences and the controversial differences in that area of the world, I think that is a tribute to the statesmanship of Henry Kissinger. When you look at the other things that have been done and, mainly, the fact that we are at peace, I think a Secretary of State, who achieves peace, ought to be complimented rather than criticized.

REPORTER. Thank you very much, Mr. President.

THE PRESIDENT. Thank you.

NOTE: The President spoke at 3:23 p.m. at the Greater Rockford Airport.

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Remarks and a Question-and-Answer Session at a Farm Forum in Rockford. *March 11, 1976*

Thank you very much, Del, Senator Chuck Percy, Congressman John Anderson, your fine former Governor, Dick Ogilvie, Bob Winters, and all of the Farm Bureau members of Winnebago County and any other areas in the State or surrounding States:

It is really a great pleasure to be in Rockford and again back in the State of Illinois. I enjoyed myself so much last weekend, I couldn't resist the temptation to come back to Illinois again this weekend. And may I say parenthetically that I have spent a good bit of time at Farm Bureau community group meetings at night in my old congressional district. The only trouble was—and I suspect it is the same in Winnebago County—that is, the food is always so plentiful and so well prepared that those of us who have to watch our weight come away with some fear and apprehension that our clothes won't fit the next day.

But before I take any questions, let me make one or two very brief comments first, about where we stand in agriculture. Last spring or last week, in Spring-

field, I outlined my agricultural policies in some detail. Let me summarize them here for you this afternoon.

I am firmly opposed to the Government holding your reserves in Government bins or Government warehouses. I am firmly opposed to a Government board selling your exports. I want our export trade to stay in private hands.

I am firmly opposed to any international reserve that would put your farm products under the control of an international body where this country could be outvoted 50 to 1 or even possibly 100 to 1.

I am firmly opposed to subsidized imports. I don't want American farmers competing against the treasuries of foreign countries.

I am in favor of productivity and prosperity on the farms of America. Over the last 2 years, net farm income has risen to the highest levels in American history. That outstanding record is due to two things: First of all, it is due to some very, very hard work on the part of the farmers of Illinois and those in other agricultural States and, second, we have let the farmer rely on the marketplace rather than to depend on the Federal Government. This new freedom with its competition, its incentives, and its capacity for expansion and flexibility has worked both to the farmers' benefit and to the benefit of overall agricultural strength and economic growth.

I oppose any policy that would once again have the farmers producing for Government storage and a Government check on the Government's terms. My policy is to let the Government govern and let the farmer farm and let the people as a whole benefit.

That policy has worked wonders in the past few years, and we can make it succeed just as well in the future. The American farmers' market today reaches, as all of you know, to the far corners of the world. The American farmer exported a record $21.6 billion in agricultural products last year, nearly $2 billion worth of that right here from the farms in Illinois.

This year, we are selling $6.8 billion worth of agricultural products to Western Europe, $3.2 billion worth to Japan, $2 billion worth to the Soviet Union, and $1.2 billion worth to Eastern Europe.

We have concluded a long term agreement for grain sales to the Soviet Union, which calls for the sale of at least 6 million tons of corn and wheat every year between 1976 and 1980. Because of this and because of other agreements, your export prospects will no longer be caught in what has been literally called a feast or famine cycle, peaks and valleys if you wish to describe it that way. Instead, those prospects will be steady and reliable and as profitable as we can make them.

Your profits on the farm are America's profits. And thanks to you, we are enjoying our best balance of international trade in years. Foreign agricultural sales thus far in the 1970's are nearly 2½ times greater than they were a decade ago.

All Americans and millions of people throughout the globe owe the American farmer a special debt of gratitude and plenty of praise for your outstanding record of performance and production and, on their behalf, I thank all of you and your fellow farmers throughout America most sincerely.

But no one praises you more often or with more genuine respect and affection than my Secretary of Agriculture, my good friend and yours, Earl Butz.

As I announced in Springfield last week, I have appointed Secretary Butz as Chairman of my new Cabinet-level Agricultural Policy Committee, which will have the central role in developing and directing our Nation's food policies. Those policies must guarantee a fair price for the farmer, a fair share of international trade, and a fair shake for everybody.

Earl Butz, who I met with this morning, and who regrets that he couldn't join you—but Assistant Secretary Jack Knebel is here someplace. There's Jack, back there. But Earl has said countless times that the American farmer is the miracle man of the 20th century, and I couldn't agree with him more. And I think it is time farmers got as much out of their work as they put into it. The American farmer is more efficient, more skilled, more advanced, and more productive than any other farmer in any other nation in the world.

Earlier in this century, the American farmer seemed to be a vanishing breed. For too long, migration, as many of you know, from America's farms and fields threatened to leave rural America in decay and in poverty. I am delighted to see that confidence has returned to our rural areas, that more young people are coming back into agriculture, and that enrollments in our agricultural colleges are running at an alltime high.

To further encourage the revitalization of rural America, I have proposed an increase in estate tax exemption from $60,000 to $150,000. This is in addition to my earlier proposal that Congress act to stretch out estate payments at greatly reduced interest rates over a 25-year period. I am glad to report that witnesses from the executive branch of the Government will be testifying next week before the House Committee on Ways and Means, or the subcommittee of that committee, and will put forward categorically the proposal that I just described. This dual relief will help save the American family farm, which has always been one of the basic elements of our free American society. And all of you know, perhaps better than I, we must preserve it for our children as well as our grandchildren.

From the rural beginnings of America some 200 years ago, poets, painters, and politicians have celebrated the virtues of the American farmer. In this era, the American farmer remains our Nation's greatest natural resource. I am confident that as long as American agriculture remains strong, America itself will be strong and free and prosperous.

With those observations and comments, I will be glad to respond to any questions.

Q. Mr. President, we, as farmers, feel that we have the ability and the desire to produce an abundance. However, this efficient production requires that we have open markets in order to make a profit, stay in business, and still keep consumers' prices reasonable. You have stated that farmers should be allowed to operate without interference. Is there some way that you, as President, can communicate to the consumer that open markets are really to their advantage?

THE PRESIDENT. I repeatedly, in talking to nonfarm groups, tell them how fortunate they are that we have in America 5 percent of our total population producing more than enough food and fiber for us to wear and to eat, and that if they go any other place throughout the world, no other population is as fortunate as our nonfarm population is.

I think we have to convince the other 95 percent of Americans of the fine job that American farmers do, and point out to them that under the new farm policies, where the Government doesn't pay a cent, basically, for you to produce and for you to sell or for you to store it, that these policies are a great, great asset.

I can assure you the balance of trade that we had last year was significant, because we sold $22 billion worth of American agricultural products overseas that helped to pay for the exorbitant prices we were paying for foreign oil from the Middle East, primarily. It is a selling job. I try to do it because I honestly believe that the American farmer is probably as great, if not a greater contributor to America's prosperity as any other segment in our society.

Q. Mr. President, you answered my question. As it is now, the Federal Government is destroying the family farm with its estate taxes, but what about the farmer's wife? If I should go today, according to the Federal statutes, the farmer's wife—they don't recognize joint tenancy. And at our house, my wife works just as hard as I do, maybe harder.

THE PRESIDENT. Well, it is my recollection—and I am not a tax lawyer or I don't, or haven't practiced tax law for some time—that there is under the estate tax provisions today and would be under the amendments that I suggested, some capability for the passing of property from husband to wife where

there is joint tenancy, and to include $60,000 now or $150,000, if my proposal goes through.

John—I know John Anderson is a lawyer—isn't that your understanding?

REPRESENTATIVE ANDERSON. Mr. President, like you, I haven't practiced tax law for a long time, either, but I think you are correct in your interpretation.

THE PRESIDENT. I really think we are correct there, but if not, I hope that the witnesses before the Committee on Ways and Means will bring that point up, because I think it is a very legitimate point that ought to be recognized and any changes in the law, if necessary.

Q. Mr. President, grain prices are down approximately one-third from a short time ago. The 26 percent of erosion has incurred over the last few years because of intense cropping caused by the lower prices. What I think many of us are concerned about, as you have stated before, is what is going to be done to preserve and maintain agricultural land for future generations?

THE PRESIDENT. I think we've got to encourage full production. We have to encourage the selling of our commodities abroad. As I understand it, out of 4 acres, 1 acre of American agriculture is sold overseas. We have to push those sales overseas. Our markets are really unlimited with the burgeoning of population all over the world, including the United States. I believe that our export trade offers us the greatest opportunity, and I can assure you that the prospects of any embargo or any trade limitation are virtually nil as we move ahead, now that we have this agreement with the Soviet Union, now that we have these agreements with Japan and with some of the Eastern European countries.

So, as long as we can say to young people on the farm that their markets are potentially bigger and bigger, and I think they are, I think you are going to get younger people coming on the farm under the new proposal, particularly where they can inherit with less of a financial burden.

Q. Well, the second part would be the increase that you are suggesting—this $60,000 was set when farmland was approximately $100 an acre. Farmland now is many times that, and in order to keep the family farm, the amount that is suggested wouldn't be nearly enough, even then, to keep the farm with inflated prices that we are under today.

THE PRESIDENT. Well, it is my understanding that the present $60,000 was enacted in 1942. I can't tell you the increase in the cost of living since 1942. It may have been more than the $150,000 rather than the $60,000, but I think we have to be realistic. This suggestion that I have made will cost the Federal Treasury about $1,100 million a year in receipts, and we do have to have some

balance between what the Federal Government gives up and what we try to do to help preserve the family farm.

I think $150,000, bearing in mind our fiscal situation, bearing in mind that it is better than a 100-percent increase, is a fair and constructive proposal. It will help, I can assure you, particularly with the 5-year moratorium where there is no tax paid and no interest paid, plus a 20-year period of paying in equal installments with 4-percent interest. So, it really is a broad-gauged and, I think, equitable approach to try and help keep those farms in a family.

Q. Mr. President, the analysis of Illinois Farm Business for Management records on dairy herds of 80-plus cows, shows a return per hundredweight of milk after all costs—and this is $3 per hour for labor—of 14 cents in 1972, 14 cents in 1973, a minus 51 cents in 1974, and a minus $1.46 in 1975. On 40 to 80 cowherds, it was a minus 38, a minus 29, a minus $1.23, and a minus $2.13. Much of this decline was caused by the flood of imported cheese and dried milk in late 1973 and '74. Can the dairymen feel confident this will not happen again? Or now that we are again showing a profit, must we fear consumer and Government pressures to beat our prices down?

THE PRESIDENT. Two points, I think, will answer that question. Number one, the Secretary of Agriculture has issued the order that will raise dairy price supports to 80 percent April 1 of this year, and we will do it quarterly in the future, if there is the requirement to keep that equity in the future.

Number two, as you know, we took some action to protect the American cheese manufacturers—was it a year or 2 years ago? I have forgotten which—and I can assure you we will be alert to those circumstances in the future.

I might add that the action taken by the Secretary of Agriculture to keep the price support figure at 80 percent, I fully concur with. And I might add that there are some Presidential candidates who have said they are totally against any dairy supports, period.

Q. Mr. President, will Congress ever again recognize that they cannot help people by doing for them what they could and should do for themselves, that the share of the wealth programs discourage man's initiatives, thereby leading to a lowered standard of living for everyone?

THE PRESIDENT. I basically agree with your philosophy, and let me give you some specifics as to how I tried to meet it as President. I have vetoed 46 bills in 19 months. I think that is an alltime record. Thirty-nine of them have been sustained by the Congress of the United States, and that is not a bad batting average, as John and Chuck know. But the main point is we saved $13 billion

in Federal expenditures by those vetoes and the fact that the Congress sustained them.

So, we are trying to stop this excessive spending that has gone on far too long, and the only way we can do it is to have a President that will veto bills that are too expensive and a Congress that will stand up and sustain a President when those vetoes come from the Oval Office in the White House.

Q. I don't feel that our Congress is as up to date as the people in the country are in realizing this, I guess. [*Laughter*]

THE PRESIDENT. Maybe we can change that next year—on a selective basis, however. [*Laughter*]

Q. Mr. President, first of all, I think I would like to extend a thank you for the opportunity to come here and talk to you personally. And I think we owe a debt of gratitude to our public servants, including all of these elected officials that are here, and my comment doesn't necessarily require an answer. I would like to say that we, as farmers, are more concerned with what you can do to us than what you can do for us. And thank you for coming.

THE PRESIDENT. I can't improve on that as the most wholesome attitude that I believe in and subscribe to. And I appreciate that we are trying to do it to the maximum possible, but that view is, unfortunately, not shared by as many as we would like throughout this country.

Q. Mr. President, in referring to the grain that we do export, much of this goes down the Mississippi. And we are told that there is a lock at Alton, Illinois. and a dam that is in very poor condition. And this is of great concern, because it will affect our prices if we have to ship by rail and, besides that, we could have grain gluts. What is your stand on Locks and Dam 26 at Alton?

THE PRESIDENT. I can give you the facts, as I understand them. It is an old lock, an old dam. It was authorized a number of years ago. It is a bottleneck in the Mississippi.

There is a proposal by the Corps of Engineers to expand or to rebuild the lock. In the meantime, a number of organizations and/or individuals have started lawsuits to prevent the rebuilding of Lock 26 at Alton, Illinois. And the matter is now in litigation, as I understand it, between the Government, who wants to proceed, and the environmentalists, who say it would destroy wildfowl habitat and would have other adverse impacts as far as the environment is concerned.

Until that lawsuit is settled in the courts, it would be inappropriate for me, as President, to say anything one way or another. It is a matter that is now in litigation. And until that lawsuit is settled as to the adequacy of the environ-

mental impact statements and any other legal matters that are before the court, I don't think I should say yes or no.

I am fully cognizant of all the details. It is a case of the Government wanting to do it and certain other elements in our society wanting to have it rebuilt and a lawsuit, as I understand it, initiated as plaintiffs by the environmentalists. And until that lawsuit is settled, I can have some opinions, but I don't think I ought to express them, because it might foul it up more than help the conclusion of the matter.

[*At this point, Senator Charles Percy informed the audience that he had introduced a bill in the Congress which would provide for the authorization for the project.*]

Q. Mr. President, do you think in the future, if you are elected, or in the next administration, that there will be an investigation of the Federal milk market orders that require our milk in some areas of the State to be shipped anywhere from 10 miles to 200, unloaded into a tank, loaded back up, and hauled back the other 200 miles before it can become into manufactured products?

THE PRESIDENT. I must admit, I am not well informed on this particular point. I would like to have from you or others who are interested, the facts on this case or these problems and, if you will, we will look into it. But I don't like to answer questions where I don't have some background or knowledge and, I confess, I don't in this case. And if you will get it to me, we will look into it, and we will give you an answer.

Q. Fine. Thank you, Mr. President.

Q. Mr. President, I have more of a recommendation than a question. But while you and your office, along with the Department of Agriculture, are formulating food policy, I would recommend that you put forth a more concerted effort to inform our urban populace of the magnitude of American agriculture and its significance to the economy, both in food production and the financial impact in relation to other agri-businesses, and that we cannot produce cheap food.

THE PRESIDENT. I have no hesitancy in being an advocate of what you are recommending because, as I said in response to a gentleman who asked a question or made a recommendation earlier, I think I know of the great contribution made by American agriculture. When you consider that the Soviet Union, with half of their population devoted to producing their food and fiber, can't produce enough for their population, and the United States with 5 percent out of 215 million Americans produces more than enough for us to eat and wear,

we ought to be proud of it. We shouldn't condemn it. We ought to compliment the people who are involved in American agriculture.

We are lucky, and others are not as fortunate, so you don't have to sell me to be an advocate for the productivity and the results of American agriculture—it is the best in the world by any standard.

Q. Mr. President, the committee that you have appointed on agricultural policy that has Secretary Butz as the Chairman—he only has one vote—just how much power does this committee have?

THE PRESIDENT. I have the final vote. [*Laughter*] But I do get the recommendations, and if you know Earl Butz like I know him—he is a pretty persuasive guy—and their recommendations will come to me. It is a broad-guaged committee, but I have the final answer in making any recommendations to the Congress or in any other manner. So, Earl Butz, I think, knows food policy for the United States as well, if not better, than anybody I know. So, his words will be very persuasive with me.

Q. Mr. President, I am a soybean producer, and I am concerned about the AID programs, plus U.S. bank financing of soybean production in Uruguay and Brazil, also palm production in Indonesia and Malaysia in, I believe, the area of about $200 million. At the same time, our Government funding for soybean utilization and research is being reduced to less than $5 million. I am concerned whether we will continue to fund our competitors and, at the same time, reduce our own expenditures for research in the United States. I am basically concerned with—why do we keep funding the competitors?

THE PRESIDENT. As I understand the facts, in the period from 1965 to 1975, the World Bank and other international loaning organizations made loans to approximately 25 different developments in a number of countries throughout the world. Those loans, about half of them were what we call soft loans, and the other half were legitimate loans at the world interest rates. There have been none approved since December 31, 1975. There are no loans that are contemplated by the Federal Government, our Government, to any overseas production facility or development—none.

Now as I understand it, there are several applications before one or more of these international loaning organizations. We are a part of some of those—I guess all of them—but there is no direct loan application pending and, as I understand it, no loans would be made of U.S. funds directly.

Now, whether these other loaning institutions which are international in character do it, it is a matter for them to decide. We have a voice, and I think the question you raise is very legitimate, but our Government isn't going to do it.

We will have to be persuasive in trying to convince other countries, who are parts of these international loaning organizations, that the point you raise is a very legitimate one, and I think it is.

Q. Mr. President, there seems to be a large military conflict now in Angola. And I was wondering if you could relate the Soviet buildup in all of the continent of Africa to your idea of détente with the Soviet Union and we, as American farmers, selling them agricultural produce at the same time that we are working with them militarily or facing them militarily in other areas of the world.

THE PRESIDENT. I firmly oppose military adventurism such as the Soviet Union and Castro's Cuba undertook in moving into Angola and the Soviet Union supplying $200 million worth of military hardware and Castro's Cuba providing some 12,000 military personnel to support one of the three factions in Angola that were contesting who or what group ought to be the ruling faction in the country of Angola.

The United States, at my direction, felt that the other two groups more nearly represented the majority of the people in Angola. We tried to help those other two factions, the FNLA [National Front for the Liberation of Angola] and the UNITA [National Union for the Total Independence of Angola]. The Soviet Union and Castro were in favor of the MPLA [Popular Movement for the Liberation of Angola]. We put a small investment of money and wanted to put some more. I think if we had put the extra money in, we would have been able to get an Angolan solution to the problems of Angola, not a Castro-Soviet Union solution. I vigorously oppose the Soviet Union and Cuba being involved, and to the extent that we can under the circumstances that might develop, we would also oppose additional adventurism in Africa by either of those two countries.

Now, I don't believe that it would have been in the best interest of the United States as a whole, even though we opposed the Soviet Union in Angola, to cut off our grain shipments to the Soviet Union. I know that some say that we should use grain shipments and withdraw them from the Soviet Union, that we should buy them from the farmers if we can't sell them overseas, and we ought to store them until other markets are provided overseas. I just don't agree with that.

I can remember, and I suspect some people in this audience can remember, not too many years ago, when we had a surplus of corn, a surplus of wheat and, perhaps, soybeans. The Government literally controlled the farmers market. We have gotten away from that, and I don't believe we should make farm exports a pawn in international relations.

MR. TEDRICK. Mr. President, we have time for one more question.

Q. Mr. President, in view of the grain scandals at some of our export points, do you favor a Federal agency to police this, or can we still use our private companies?

THE PRESIDENT. I think we've got to make a change in the present system. The present system has resulted in, I think, 74 indictments, primarily in the gulf coast area. There have been some pleas of guilty. There have been some convictions. The system has been exposed, and there have been, undoubtedly, abuses.

Under the present setup, as I understand it, the Federal Government really doesn't control the grain inspection, and the Federal Government can have an impact, but it is minimal. And the net result is all of these scandals have cast a very bad public image on American grain shipments, unfortunately.

And it is unfortunate for two reasons—primarily, the one that you see, an allegation of bad inspection. You see allegations of a ship or two that may have had faulty inspection, and the grain isn't up to standard, and it casts a black eye for all American agricultural products. So in order to try to have a better inspection system, the administration has recommended to the Congress a new approach which permits the Department of Agriculture to have a better handle and a better control over the inspection service.

There are hearings, I think, in the House and Senate, more or less, at the present time. The administration is testifying for a new approach, and I think it will be a better approach, and I hope the Congress passes it. We are in favor of a change from the present system.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you.

NOTE: The President spoke at 3:50 p.m. in the Convention Center at the Clock Tower Inn. The forum was sponsored by the Winnebago County Farm Bureau.

In his opening remarks, the President referred to Del Tedrick, executive secretary, and Robert Winters, president, Winnebago County Farm Bureau.

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Remarks on Greeting Members of the Greater Rockford Tool, Die and Machining Association. *March 11, 1976*

Thank you very much, Don Metz, members and guests of the Rockford Tool and Die and Precision—Machining—[laughter]—that was close anyhow.

It's real nice to be here and I apologize for interrupting your meal. I know you not only are enjoying that but you are about to have afterwards somebody else in the political arena. [*Laughter*]

We thought we would stop by just to make friends and make this a bipartisan affair. But it is delightful to have a chance to be in Rockford and to be with Chuck Percy and John Anderson and Governor Ogilvie [1] who has been such a big help to me in Illinois, and particularly in this area.

I come from an area over in Michigan that has a great deal of similarity to what you all do and produce here in Rockford. We have a few tool and die plants and precision machinery facilities in Grand Rapids.

But I think the main thing that I would like to leave with you tonight is that even though the Nation as a whole has gone through a very traumatic experience for the last 12 to 15 months, I am absolutely convinced that this country—because of its people, because of its structure of government, because of the policies that we have tried to pursue—has met a challenge and is on the way up.

I know that you had very serious unemployment in the Rockford area, probably as bad if not worse than any other place in Illinois and certainly comparable to some of the areas hit hardest throughout the United States. But I have faith in all of you just like I had faith the last year or more for the American people who I felt could meet the challenge of the worst economic conditions we have had for 30 years. They didn't panic; they kept their cool; they responded to common sense and realism. And the net result is, we have gone through this traumatic experience and we are now on the road to a healthy recovery and a far, far more stable and permanent prosperity.

I know that all of you are like others throughout this country who have responded just as well, and I can only say to you that in the months ahead, despite what we have gone through, I am an optimist about America. I am fed up with those who have downgraded this great country, who have undercut the country with skepticism and cynicism. We are great people. We have a great government. We have a great future.

I thank you for what you have done and the feelings and the attitudes and the optimism that you have. That is what our forefathers had and that is why we are great. And you can do as well as they, and I am sure you will.

As you look back a few years from now you can say 1975 made us strong, we stood tall and strong, and America then will be the America we all want.

Thank you very, very much.

NOTE: The President spoke at 7:32 p.m. at the Clock Tower Inn in Rockford, Illinois. In his opening remarks, he referred to Don Metz, president of the association.

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[1] Senator Charles Percy, Representative John B. Anderson, and Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee.

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Remarks in Rockford, Illinois. *March 11, 1976*

Thank you very, very much, John Anderson, Senator Chuck Percy, Governor Ogilvie, Dave Martinson, ladies and gentlemen:

At the very outset let me thank, from the bottom of my heart, this fine group of young Girl Scouts who are the Bicentennial Choir. Let's all give them a great big hand. And we should do exactly the same thing for the Proud American Singing Group. Let's give them a hand.

May I ask everybody to be quiet for just a few minutes. What I will say won't take long but what I will say I hope you will listen to because it is what we have to believe, what we have to do if we are going to make America what it must be for older people, for younger people, for all of us. So please be quiet just a minute.

It is a great privilege and pleasure, it is an inspiration to be here in Rockford on this occasion. It is a great experience for me to come to this Cherryvale Mall where I see in brick and mortar what a vigorous America can do and will do.

I thank John Anderson, my very good friend, for the very kind and thoughtful comments he made in the introduction. Let me assure you that I will aspire to be all that John has said because that is what a President of the United States should be. And I promise John and I promise you that I will seek to accomplish and to achieve personally and in policy what John Anderson has outlined for you tonight.

As we were driving over here this evening, I thought of what the circumstances were 19 months ago, and let me quickly review where this country was at that time in August of 1974.

The American people in Rockford, in Grand Rapids, in all of our 50 States, for reasons that we all know, had lost confidence in our country, in our government. We all know that 19 months ago we were experiencing the most disastrous inflation, we were on the brink of a horrible recession with unemployment shortly to go up and employment about to go down. We also know that 19 months ago our country was torn apart. No public official could go onto a campus in this country. Few public officials could talk to any group without confusion and chaos and all of the things that were so foreign to the country that we had inherited from our forefathers. America was on the brink of the most frustrating and traumatic experience, certainly during my lifetime.

But in the last 19 months, tremendous progress has been made. Most of the credit for that progress should go to you, the American people, because you did not panic, you did not lose your cool, and you had faith in our government.

But let me outline some of the things that I think have happened, that have come about because there was some leadership. It is my judgment that the American people have had a restoration of faith in our country and in our government, and you should have it.

It is my feeling that because you got some straight talk from the White House, from the Oval Office, you believe what your President tells you. Let me be very straightforward. I don't intend to promise more than I can deliver, and I assure you we will deliver everything we promise.

I know that although we have made great progress in going from the depths of the recession in March and April of this year and that we are headed upward to a new prosperity in America, that in Rockford you have an unemployment that is much too high. I know that in many areas of this country unemployment is still too high, but let me give you some reassuring facts—facts that should prove to you beyond any doubt whatsoever that the right policies have been in place and the right course of direction is taken—whereas 19 months ago inflation was 12 to 14 percent, today it is half of that, and the rate of inflation is going down, and it will keep going down.

We also know that in the last 2 months there has been very encouraging news on the national front that employment is going up and unemployment is going down. Again, it is still too high, much higher than we want it and much higher than we are going to permit it to be, but from a high of 8.9 percent several months ago, it is now down to 7.6. The trend is right, and that trend is going to continue. Employment is going up and unemployment is going down, and we are going to keep both trends going in the right direction.

But there are some other things I want to talk to you about. As I travel around the country and meet wonderful people like you, whether it is in Peoria or Champaign or other States and other cities, I find that people generally, regardless of what occupation they may be in, are disillusioned with the fact that government is too big, that government does not treat them right, that service to them for the taxes they have paid isn't in the right proportion.

What we are trying to do is to give to you the kind of Government service at the Federal level that will restore and renew your faith in what the Government is doing. I think we ought to get rid of those programs that don't work. We ought to do better with the programs that are good but that are not working as well as

they should, and we ought to strengthen the good programs that have been helpful.

Let me take an example. Here in Rockford, you have been the beneficiaries of one of the very best programs that I know that the Federal Government has ever undertaken—we call it revenue sharing. It is where Federal tax dollars are sent to Rockford and to Winnebago County so that the locally elected mayors—and some of them are here with their city councils or city commissions or board of supervisors—can make decisions with that money to provide services to you, to build public works, to do what they have been elected to do by all of you. And in the 4½ years that general revenue sharing has been in effect, the city of Rockford will have received about $8 million and Winnebago County about $16 million.

That money has been put to good use in your city and in your county. And we are fighting right now, with the help of John Anderson and Chuck Percy, to make sure that that program continues so that those tax dollars will be utilized at the local level by the decisions made by your elected officials. That is a lot better than having some bureaucrat do it in Washington, D.C.

I said a moment ago that we were headed in the right direction to improve the status of our economy, to keep the trend of higher employment and lower unemployment and a lower rate of inflation going all in the right direction.

Now, there are some in our Presidential campaign group that say that the answer is more Federal Government programs, that the Government ought to provide the jobs, that we ought to spend more money so that the Federal Government can take the credit for jobs throughout this country. I strongly disagree with that philosophy. The way to solve the problem is through the private sector of America. Five out of six jobs in this country today are in the private sector, and if people are going to have permanent, meaningful jobs in the future, we have to stimulate the private sector. How can we do it? We ought to pass another tax reduction. We ought to pass tax reduction legislation that will give to industry more incentive.

John Anderson and Chuck Percy have been in the forefront for what we call the investment tax credit, but I think we ought to expand that. I think we ought to extend it to give to business the incentive to build a plant and to buy equipment now so that they can give jobs now.

In the interim, while our unemployment is too high, I think we have to be compassionate, we have to be concerned about the people who want to work but can't find a job, and for that reason we have extended our unemployment insurance and broadened the coverage. They don't like it because they want to

work and they want a job, but we have to think of their families and of themselves.

But we want them to have an opportunity to get that job back or to get a new job and the best way to do it is through a tax incentive to individuals to stimulate consumption or to business to stimulate more factories and more expansion.

Let me make one other point. As I sit in the Oval Office of the White House I get letters, I get communications, I get legislation sent to me from the Congress, and there is a trend. People say why don't you do this, why don't you expand that program, why don't you spend more Federal money? Let me give you two answers to that. If we followed that course of action, if we did what the expansionists wanted us to do as far as the Federal Government was concerned, I don't think they have understood one of the fundamentals that is so important, and let me phrase it this way. I warn them, I look them in the eye and I say, "Do you realize that a government big enough to give us everything we want is a government big enough to take from us everything we have?"

You know, I have been criticized for saying that the Federal Government should not spend as much money as some of the big spenders would like us to do. Well, I am proud of the fact that in 19 months I vetoed 46 bills, most of them adding extra funding to the Federal budget. And I am also very glad to note that 39 of those vetoes have been sustained by one-third of the House and/or the Senate. What does that mean? What has been accomplished by those vetoes that have been sustained? One thing we should not forget—those vetoes that have been sustained have saved $13 billion in Federal expenditures and that is a lot of money that we saved.

And to those that are telling me they are going to send some more legislation like that down to the White House, I have looked them in the eye and said, "We'll veto them more and more and more because that kind of spending is not good for America today and it isn't good for the future of America."

Now, let me conclude with just one or two additional comments. As John Anderson said, this is one of the most inspirational meetings that I have ever attended. They tell me there are 10,000 people here. I can see that every place in this area is filled, and for that I thank all of you for coming out in a March night when it could have been just as easy to stay home, but you are interested in your government, and for that I thank you very much.

This is our Bicentennial Year. We have had 200 years in America. Refresh your memory just a moment. About 200 years ago some 50 elected delegates put together this Constitution by which this country has been governed. They met from March until September. They deliberated, they compromised, they worked

to put together the greatest document for the governing of people in the history of mankind.

There is a wonderful story that is told about Benjamin Franklin who left Constitution Hall in the city of Philadelphia, and as he walked down following the last meeting of that great Convention, he was accosted on the street and he was asked by a bystander, "Mr. Franklin, what have you given us—a republic?" And Mr. Franklin responded by saying, "We have given you a republic if you can keep it."

Our forefathers for 200 years have kept this Republic for us. This Republic has gone through difficulties unbeknownst to us. We have met challenges from abroad, and we had a war between us in America. We have had depressions, panics; we have had all kinds of difficulties at home. But through that span of time with the kind of government that we have, America has met the challenge, and America is great today.

I happen to have the belief that America will be kept great by the people here in Rockford, in Michigan, and Wisconsin and the other 47 States. All of us of an older generation know that we inherited from our forefathers a great country. They worked and they labored and they did much to make America the great country that it is. And as I look through this audience and see some of these wonderful young people and those Girl Scouts and others here of a younger generation, I think everybody who has a chance to participate in government—whether it is an elective office or a party worker or as a voter—feels a sense of obligation in the decade of the seventies to make sure that this country is good to these young people. These young people deserve what we inherited from our forefathers. It is our solemn obligation to keep us strong at home and to keep us strong so that we can deter aggression, so that we can keep the peace, so that we can meet a challenge against our national security.

Let me say this country is strong. We have a Department of Defense—the Army, the Navy, the Air Force, Marines—some 2,100,000 of them; some stationed here in the United States, many of them stationed around the world, who are alert, who are well-equipped, who are well-trained, who are well-led. They are giving us the kind of security that protects America against aggression, preserves the peace, and protects our national security.

So, let me close by simply saying we are making headway at home in keeping America strong, and we have the military capability to make sure that our security and our lives are not in jeopardy.

This is a team effort—the workers, the managers, the people in public office, the professional people, the young people, and the old people. America's 215

million wonderful people under a wonderful form of government, with great hopes and aspirations, the protector of freedom, one country in the world that can give to others the inspiration to have what we have.

This is our mission, our responsibility. I know that America won't let us down, and I know America won't let others down. I am proud to be an American, and I am proud of America just as you are.

Thank you very much.

[*At this point, the President proceeded to another level of the mall to address part of the overflow crowd which had gathered there.*]

I first want to thank the Kabala Drum and Bugle Corps. Thank you very much, fellows. I am just overwhelmed. So many good looking young folks, boys and girls, so many nice parents, so many nice people, period. I thank you all for coming very, very much.

Now, I don't know whether you heard what I said down below. Did you?

Well, I won't say it again if you did or didn't. I just want to express my real appreciation for the wonderful turnout here in Rockford. I want to thank the Cherryvale people for making it available. I want to thank everybody who has come.

I think we have done the right thing for the country. In the 19 months that I have been President, we have gone through a tough time, but we are coming out of it, and we are going to do better and better. In the meantime, we have been able, through strength, to keep the peace, and we are going to keep the peace through strength.

Then let me just conclude by saying I would appreciate your help next Tuesday. I would appreciate your assistance on Election Day. I won't let you down. I will do what is right. I will give you straight talk. I won't promise more than we can produce, and we will produce everything we promise. That's a deal.

Thank you very much.

NOTE: The President spoke at 8:09 p.m. at Cherryvale Mall. In his opening remarks, he referred to Representative John B. Anderson, Governor Richard B. Ogilvie of Illinois 1969–73, chairman, and David L. Martinson, district director, Illinois President Ford Committee.

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Remarks at a Reception for President Ford Committee Volunteers in Rockford. *March 12, 1976*

Thank you very, very much, John, and Senator Chuck Percy, Governor Ogilvie, Bishop O'Neil, Mayor Lundstrom, Dave Martinson, Peter Kostantacos, ladies and gentlemen:

Almost 73 years ago Theodore Roosevelt came to this city to dedicate Memorial Hall. That was the same year that the Wright Brothers launched the age of flight at Kitty Hawk. Since then Memorial Hall has entered into the rolls of the National Registry of Historical Places and Americans have landed on the Moon. That was the year also when the Federal budget was just over $500 million per year.

Since that day in June of 1903 when President Roosevelt journeyed to this very vigorous, this very industrious community in northern Illinois, Americans have faced many challenges—two world wars, a great depression, the atomic age, and now the space age. Throughout those 73 years, we have tested our institutions and found them very strong. We have mastered science and technology and have made them serve humanity. We have challenged our national character and found it resourceful and vigorous. And throughout those years, I think, as a nation we have learned many, many lessons.

One of those lessons that we learned is that bigger budgets and bigger government are not the magic answers to every problem that faces us as a nation. We must never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

Since Teddy Roosevelt's day, the Federal budget has increased 600-fold. Yet only a dozen years ago many Americans sincerely believed that more Government spending could heal all of our social ills.

We found that more government spending too often made these ills worse, and there is plenty of evidence to sustain that position. And the resulting inflation spread that illness to all Americans, especially to retired people and others living on fixed incomes. It spread to the supermarket, to the department store, and it struck where it hurt the most—in our family budgets, our savings, and our take-home pay.

None of you here could manage a business or a household very long by spending more than you earn. Government can't be managed that way either. You

have a right to expect that the Federal Government will practice fiscal restraint and make its ends meet.

I don't need to tell you that just 1 year ago this country was in very serious difficulty as the end result of unwise Federal spending over a long, long period of time. We were confronted at that time with both inflation and recession. In the face of more popular solutions that sounded good on the surface, we held the line on bigger and bigger spending. In many cases, a majority in the Congress wanted to take the very popular course, or what seemed to be the popular course, with budget-busting proposals.

I strongly disagreed with that approach and since becoming President some 19 months ago, I vetoed 46 bills sent down to the Oval Office from Capitol Hill. Thirty-nine of those vetoes were sustained, and John and Chuck were very helpful in that regard. And it is interesting to note that those vetoes amounted to a savings to the Federal Treasury and to the taxpayers, eventually, of some $13 billion. And may I add parenthetically, if there is a continuation of that kind of irresponsible action by the Congress in sending one after another inflationary budget-busting proposals to the White House, they will be vetoed every single time.

I think we have set a very firm and a very steady course toward recovery, and we have stuck to it. We didn't try to tinker with any quick fixes or superficial answers to the great American economy. We recognized and we encouraged the natural strengths in our free enterprise system, and I think it is working.

It was Teddy Roosevelt who said—I don't know whether he said it here in Rockford or not, but he did say, and I quote: "It ought to be evident to everyone that business has to prosper before anyone can get any benefit from it." And I will add that the heavy hand of government interference must be lifted before business can prosper. John Anderson in the introduction mentioned our attempt to deregulate the American business—a program of deregulation that, in my opinion, will work. We have made some headway with the enactment of the Rail Revitalization Act. We are pushing for deregulation in virtually every other independent agency, and we have a task force, or several, I should say, that are going through every department of the Federal Government—not people from that agency or that department but a group from another agency or another department that is requiring that every department justify all regulations and all forms that they require that department's constituency to make out or to prepare. I think we can reduce very substantially the redtape and the regulations that have been on the books, so to speak, for a long, long time, and I guarantee you that we will make progress in this regard.

And when I say the elimination of forms and the simplification of what individuals have to do, it is not just that business will benefit. I saw the other day—it is hard to believe—the number of forms and the depth of information that is asked of people who are, unfortunately, on welfare. They are as confounded by and irritated with the government as businessmen are. This is a proliferation in government agencies, period. And it has to stop, and it will stop.

Now, with five out of every six jobs in our economy in the private sector, it just makes sense that real, secure permanent jobs can best be developed in the private business and industry sector of our country. I think the private sector must be encouraged by healthy economic policies to grow, to expand, and to provide more jobs. And as John said in the tax proposals that I have recommended, one, I urge that beginning on July 1 of this year we will have an additional $28 billion tax decrease across the board, 75 percent of it going to individuals and 25 percent of it going to business.

In addition, I think, as was indicated by John, the best way to get unemployment reduced in individual areas or metropolitan portions of our country is to have a tax incentive for more rapid amortization so that business will expand in those high unemployment areas more rapidly.

Those are the kinds of jobs that will produce permanent, encouraging employment, but as also was mentioned, I announced last week to sponsor or to favor the estate tax exemption from $60,000 to $150,000. It was indicated to an agricultural group that the facts are that that proposal will help small business just as much as it will help those who own family farms.

Yes, family farms will benefit. Small business will benefit. It will permit both categories to pass from one generation to another without forced liquidation or, as John more dramatically said—what was the term you used?—auction. I think in either case it is bad for the small business or for the small family farm. I think it would help to provide continuity, enterprise, and bring added stability to the business and farming communities throughout our country.

Let me say, at least I believe so, it takes some experience in government and an intimate understanding of the Congress and our government institutions to take the courses that we have taken and to pursue them successfully, to stick with them, to see some results. I think this experience is helpful, and I am confident it was beneficial in keeping us on the right course. That does not mean I have to agree or they have to agree with me, Chuck and John, every single time. But you do get some special benefit knowing people on both sides of the aisle, knowing how the Congress works, whether it agrees with you or disagrees with

you. And, therefore, I hope and trust that you can say that continuity has some benefit in the tough circumstances we are in today.

Now, I don't mean to recite the statistics which I think nationally confirm the fact that this economy is moving in the right direction. If we go back to March of this year or go back 19 months ago, you know that inflation was rampant, you know that we have cut it in half, you know that we went through a very traumatic experience with the worst recession this country has faced for 30 or 40 years, you know that we are coming out of it, consumer confidence is up, unemployment is going down, employment is going up.

Wherever you look, the statistics are encouraging. That does not mean that we are completely out of the woods, I am the first to admit it, but we didn't panic, we didn't lose our courage, we held a firm and steady course, and we are headed in the right direction. I think by all honest measurements we are headed in the right direction. We are beginning to see some of the familiar landmarks of recovery leading us to a better prosperity.

Any expert who is objective will tell you that across the country business is improving, farm income is improving, employment statistics are all encouraging. The budget that I submitted in January of this year and those that I plan to submit in the next 4 years will bring us a balanced budget in 1979 and will permit us to have at the same time, providing of course the Congress cooperates, another major tax reduction lifting more of the burden from our Federal taxpayers across the board.

In short, by any analysis, the directions we are going will bring us home in the right direction, and I am convinced that the direction we are moving abroad is also right. We will continue to maintain our diplomatic leadership in seeking constructive and cooperative solutions beyond our national borders. We know from past experience that world peace can only be assured by a very strong defense. As a nation today, we are second to none in military capability. And I might add most emphatically, we intend to keep it that way.

If you look at the trends that have been going on for the last 10 to 15 years in military expenditures, the facts are in constant dollars we have been spending less and less. That is a fact. But if we are going to be able to meet the challenges in any one part of the world and to deter aggression and to maintain the peace and to protect our national security, that trend line must be reversed.

I submitted a budget in January of this year, the largest peacetime military budget in the history of the United States—$112.7 billion, 25.2 percent of our

total national expenditures. It was the first time that that trend line has started up.

That decision was not predicated on anything that had to be done immediately for our national security because we do have the best trained, the best equipped, the best led, the most alert military force in the history of the United States. That is what we have today. But the decision to add more spending to reverse the trend was to protect whoever might be President 3, 4, 5, 6 years from now because you don't turn a switch and all of a sudden have more missiles and more submarines and more aircraft, et cetera. The decisions made today in a defense budget materialize basically 2 to 4 to 5 years from now.

I repeat, this country is second to none in the capability that is required to protect our country, but we have to look down the long road and we cannot tolerate that trendline that has been going on. Somebody in the audience might ask, well, why didn't you do something about it last year? The facts of life are that in January of 1975, I then submitted the highest military budget in peacetime. Tragically, the Congress cut it $7.5 billion. But we can and we will make it up, and I ask you to support the kind of military programs and policies that we are undertaking at the present time.

And if we all join together—Democrats, Republicans, across the board—the current capability that we have as a nation now is fully adequate to meet any challenges from any sources, under any circumstances, and that is what is needed, that is what is essential for our security. And I pledge to you, as I am sure Chuck and John will do the same, under no circumstances will we play second fiddle to any country in military preparedness.

Quite frankly, as I say goodby, it has been a great experience to be in Rockford. I have been here several times in the past. It was a great opportunity yesterday to talk firsthand with a very fine cross section of American agriculture. It was a thrilling experience last night to be at Cherryvale Mall. And it was kind of nice to see my wife again, as she came back from California. You know, she has been out in Arizona and California trying to get my votes up to her polls. [*Laughter*]

But as I leave you this morning, I want to thank you for the great hospitality. I am proud to be here with John and Chuck and Dick Ogilvie and Dave and all of the others. I am proud of the record that we have tried to undertake for our great country in the last 19 months, and I am even prouder of the American people because I think they have done a great job in not reacting with panic and cynicism and skepticism. And I am proud of our kind of government, it is some-

thing worth protecting. And with your help, we are on the right direction building together an even greater America.

Thank you very much.

NOTE: The President spoke at 7:34 a.m. at the Convention Center in the Clock Tower Inn. In his remarks, he referred to Representative John B. Anderson, Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee, Rev. Arthur O'Neil, bishop of the Rockford diocese, Mayor Milt Lundstrom of Rockford 1953–57, David L. Martinson, district director of the Illinois President Ford Committee, and Peter C. Kostantacos, Winnebago County Republican chairman.

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Remarks and a Question-and-Answer Session at Wheaton College in Wheaton, Illinois. *March 12, 1976*

Thank you very, very much, Todd, Dr. Armeding, my good friend, Congressman John Erlenborn, and my good friend, Chuck Percy—I didn't see John Anderson here but if he is, John Anderson, who is also a very good friend of mine, Mayor Barker, students, faculty, and guests:

It is obviously a very great privilege and a very high honor for me to have the opportunity of visiting the garden spot and particularly Wheaton College. Quite frankly, I look forward a great deal to answering some of your questions, but let me make a few opening observations and comments.

Wheaton College is, I think, a fine, fine example of those privately supported institutions which have contributed so much to America's greatness and America's progress. The heritage of these private colleges and universities dates back to the Middle Ages and to such great institutions as the universities at Paris and at Oxford.

In America, it is interesting to note, more than a dozen colleges were founded even before we became an independent nation. Wheaton College shares in this very distinguished tradition of private higher education. Thanks to the vision and to the dedication of private citizens and organizations, there are now more than 1,500 privately supported colleges and universities in America with a combined enrollment of more than 2 million students.

These institutions provide a reservoir and a training ground for national leadership and talent. By both complementing on the one hand and competing with public institutions of higher education, they help America to achieve the same diversity in higher education that we are proud to have throughout our national life.

Let me repeat what I have said many times before, that I strongly support the principle of private volunteer giving to help finance higher education. If these institutions should close their doors shifting the burden from private donors to public taxpayers, the tax load would be heavy indeed. It would add billions and billions of dollars a year to the national tax burden, hundreds of millions of dollars each year in the State of Illinois alone.

Therefore, I repeat here this morning as I have said on other occasions, I would oppose any legislative proposals which would discourage private financial support for our colleges and universities. We must never threaten this vital educational resource.

Once students have graduated from colleges, private or public, and I have been the beneficiary of both, we want to make sure that there are rewarding jobs available for all of you. The government can help, not by providing temporary make-work jobs, but by encouraging a healthy economic climate in this country.

When I came to the White House 19 months ago, our economy was in bad shape and, unfortunately, getting worse. There were those who said that gasoline would be a dollar a gallon by now and unemployment would be skyrocketing over 10 million Americans. Well, they were wrong. It was not a time for panic, it was a time for strong, affirmative action. The statistics show that the administration's economic policies have been the right ones. Inflation has been cut in half. All jobs lost during the recession, numerically, have been recovered, and they have been recovered primarily through the demands of the private sector where five out of six jobs are found in the United States. The unemployment rate has fallen significantly; it is still falling. It is still too high.

Nine hundred and twenty-five thousand real jobs have been created in the first 2 months of this calendar year. That is good news, but it is best reflected, I think, in the fact that consumer confidence and a host of other economic indicators are up, and we are going to keep them up. We are going to make sure that there are enough real jobs created by our economy so that all of you can use what you have learned for a rich, rewarding, and challenging life.

An important part of that life will be your participation in our government's great democracy. Let me tell you that I was impressed by the petition that accompanied your invitation to speak here today. That petition had some 1,700 to 1,800 names on it. I think that shows very clearly how the students of Wheaton College intend to get involved in their Nation's affairs.

Here at Wheaton, you know a great deal about commitment. You have all committed yourselves to living a purposeful, Christian life. That is a fundamental, lifelong commitment, and I salute you for it. I am very well acquainted

with religious values that you hold so dear here at Wheaton College. For a number of years, I have enjoyed a warm and friendly relationship, discussed many times the problems that I am sure all of you do, with two of your honored graduates of Wheaton, the Reverend Billy Graham and the Reverend Billy Zeoli.

America and the world need the moral and spiritual values which you offer. Young men and women motivated by faith in themselves and in God must keep the flame of faith burning. In the words of the Holy Bible, man becomes what he thinks upon, and a nation ascends to its highest potential all through the ideals and aspirations of its people.

Your involvement in our Nation's spiritual and political life is also important. It is important not only to you as individuals but to our Nation's future. There are many, many ways to make our world a better place, but one very good way is to make certain that the United States of America has enlightened citizenship and a responsible government. Your participation, your commitment to that ideal, not just this year but for every year, will keep America strong, will keep America free.

Thank you, and now I will be glad to answer your questions.

John Anderson is here. John, where are you? I understand John was given an honorary degree here at Wheaton. Also a very good friend of mine, your former fine Governor, Dick Ogilvie is here.

Yes, I am ready for the first question.

QUESTIONS

EFFECT OF WATERGATE ON PRESIDENT FORD; SECRETARY OF STATE KISSINGER

[1.] Q. Mr. President, the recent Nixon testimony from a sworn deposition points the finger at Secretary of State Henry Kissinger as choosing the 17 White House officials and reporters for wiretapping. Do you feel continued connection between Kissinger and Watergate will be detrimental to your election? If so, can we expect his resignation soon?

THE PRESIDENT. As I understand the questions, there are three in number. [*Laughter*] First, I do not think that I should comment on the litigation that is now involved between Mr. Halperin [1] and the defendants. It would be inappropriate for me to make any comment concerning that matter which is now before the courts.

[1] Morton Halperin, former member of the National Security Council.

On the question of whether my candidacy or the Republican Party will be affected by Watergate, I can only comment on my own situation. When I was nominated to be Vice President, the House Committee on the Judiciary and the Senate Committee on Rules held extensive hearings as to my total background—financial, political, well, it covered everything. The volumes are about that thick with testimony by individuals.

After the two committees recommended that my nomination be confirmed, there was a vote in the House as well as in the Senate, and, as I recall, in the Senate the vote was about 92 to 3, and in the House it was 380- or 90-something to 37. I think that record of investigation by two committees, that vote by a Democrat-dominated Congress proves beyond any doubt whatsoever that I had no connection, period, with Watergate.

Now, to answer the last question. I feel very strongly that over the period of the last 7 years, and particularly during the period that I am intimately familiar with, the foreign policy direction given by our Secretary of State under my final direction and answer, we have made a lot of progress. We have moved forward in that volatile, very, very difficult area in the Middle East with the Sinai agreement, we have kept the normalization of our relations with the People's Republic of China moving in the proper context. We have reassured our allies in Western Europe, and we are negotiating from strength with the Soviet Union. I think our foreign policy is moving forward constructively, and under those circumstances, I would not, under any circumstances, want Henry Kissinger to quit, period.

SOCIAL SECURITY TRUST FUND

[2.] Q. Mr. President, I would like to ask you a question on the economy. Aside from calling the social security tax an insurance, what remedy do you see for reducing the regressiveness of this tax which hurts primarily the low- and middle-income groups?

THE PRESIDENT. The problem of the solvency of the Social Security Trust Fund is one we have to face up to. I think it is wise to take a look at what has been happening this year and what will happen in the next several years unless something is done. This year the deficit between income and outgo in the Social Security Trust Fund is about $3 billion. Next year it is estimated that the deficit will be $3½ billion. It will go up in about that range each year, and eventually, if we don't do something, the $43 billion we now have in the Trust Fund will be emptied.

Now, what are the remedies? You can go to the general fund which will, in effect, destroy the concept that people who get benefits have earned them, or you can do nothing, which, I think, would be probably the worst alternative because it would bring into jeopardy the benefits that people now have and those who are working to get them.

There are several other alternatives. You can do at least as the subcommittee of the House Committee on Ways and Means did, and then they were reversed by the full committee on Ways and Means. They proposed that we increase the wage ceiling, which is now, I think, $15,100, and they recommended that it go to $17,000-something. That would be a way. But even though the subcommittee approved it, the full committee just last week turned it down.

Now, what I have suggested, and I think it faces up to the issue very squarely, is that we have to start now to replenish the fund. And I have recommended that we increase the tax paid by the employees as well as the employer by six-tenths of 1 percent, which would mean that the maximum paid in addition by any taxpayer would be less than a dollar a week. I think it comes out to $49 a year. That is the maximum.

Now, the argument is often made that that is a very regressive tax, and it can be argued that, but that is only half of the argument. Because when the benefits are paid after the person retires, that regressiveness is reversed. The beneficiaries in the lower income spectrum get more than the people who are in the higher income area. So, although they pay more, they, in return, on retirement get more. So, I think it is the best solution. It is the most open, it is the frankest, and I think it is the honest way to approach it. Unfortunately, I see in a political year the Congress apparently does not want to bite the bullet, but it will have to be faced, and we might as well face it, the sooner the better.

WELFARE AND ECONOMIC POLICIES

[3.] Q. Your congressional record shows that you voted against food stamps, medicare, and minimum wage increase legislation, and your current economic policy seeks to keep inflation in check, but not necessarily immediately reduce unemployment. If I am an unemployed blue-collar worker or a minority woman on welfare standing before you, would you give me three reasons why I should vote for you as President?

THE PRESIDENT. Well, the first reason is that we are making very good headway to get that individual off unemployment and a private job in the private part of our sector. That is the most important thing.

Secondly, on my recommendation, the Congress did two things in unemployment compensation. One, they extended the benefits from the 26-week period to 65 weeks, and secondly, on my recommendation we expanded the coverage. Under the previous traditional unemployment compensation, there were certain restrictive limitations on who could qualify for unemployment compensation. In order to take care of the abnormal unemployment that we had starting a year ago in January, we expanded the criteria so that virtually anybody could draw unemployment compensation and the limitations on that were, in effect, removed. We, as I recall, doubled the number of people who were on unemployment just by that one act.

Number three, if I was a person who wanted food stamps, who was in a circumstance below the poverty line, under my proposal those individuals would get more money in food stamps. The ones we cut off are the ones who are above the poverty line, and I happen to think that if we are going to help the needy, we ought to concentrate our emphasis on those truly in need and not help and assist those who are not in need. I think that is a responsible position.

JACK FORD

[4.] Q. Mr. President, on behalf of many of the Wheaton College women students, we are interested in the status of your youngest son, Jack. [*Laughter*] Seriously, though—[*laughter*]——

THE PRESIDENT. He is some competition.

MEDICAL MALPRACTICE AND CATASTROPHIC ILLNESS INSURANCE

[5.] Q. Well, what do you see as a solution to the malpractice dilemma in California? Do you think we are heading towards socialized medicine?

THE PRESIDENT. I have two unmarried sons. [*Laughter*] Jack will be 24 next week, and Steve will be 19 in May. And Steve is the one that likes horses and is out cleaning stables and going to Cal Poly, but he is a pretty attractive kid, too.

But to talk about the serious question that you asked, the malpractice problem is not limited to the State of California, although it was made much more dramatic there by the action that some or a good many doctors took in the State of California. It is a problem in virtually every State, caused primarily by the very substantial increase in malpractice insurance premiums that result from the very high claims that have been allowed by our court system.

I would prefer that the issue be solved in this limited area at the State level. But if we are going to have what happened in California repeated in 49 other States, I think we may have to take a very hard look at some solution in that

limited area on the national level. We have some people that are now analyzing that situation. I don't want to call it a study because some States have moved in and solved it and some have not. But I don't think that problem in and of itself dictates that we should have national health insurance with the Federal Government being the dictator as to what the doctors ought to do and how they ought to be paid. I don't think it is an argument that pushes us inevitably toward national health insurance as far as the patient is concerned.

I have in the past felt that we could broaden the utilization of our private coverage firms with the Federal Government participating, but the coverage for broader health insurance would come from the utilization of our private health insurers.

The one country that I am most familiar with—and I hesitate and won't use the name—they started on national health insurance 15 years ago with expectations. They have been cutting it down step by step by step, and the net result is, I think, that most objective observers say it has not worked.

So, if we are going to broaden your coverage, I think we ought to do something differently, and if we do, we certainly ought to use the private insurers to get a better service to take care of those who are not adequately covered by insurance.

And one final comment—I did recommend to the Congress this year that we ought to provide, under Medicare, catastrophic insurance. There are roughly 25 million people who are now covered by Medicare, about 3 million of them are affected adversely by some form of catastrophic illness where there is an extended care period or heavy, heavy, heavy expenditures.

It can be done, I think it ought to be done, because I would venture to say every person in this room knows a family or knows a person who has been affected by a catastrophic illness, and there is nothing that is more worrisome to the mind or has a more serious impact on the pocketbook than those kind of tragedies.

So, I think the Congress ought to move in that direction and move this year.

REORGANIZATION OF THE INTELLIGENCE COMMUNITY

[6.] Q. Mr. President, as you well know, there is an increasing controversy over CIA activities, both domestic and foreign. What measures would you take to create a balance between abuses resulting from secrecy in these activities and excesses of public revelation which may, of course, hinder American effectiveness in foreign policy?

THE PRESIDENT. About 3 weeks ago, I released the information as to what I would do to strengthen the intelligence community and at the same time prevent

abuses by any of the intelligence community against American citizens. Let me outline very quickly what we have done.

In the first place, we set down criteria in a rather lengthy document of what intelligence agencies and individuals could not do—specific guidelines. Those were lacking in the past. And if those guidelines are not lived up to, then the persons responsible, individually or the head of an agency, are held accountable. Accountability is the real crux of how you can prevent abuses.

In addition, we have established an Intelligence Review Board which is composed of three individuals, three outstanding individuals—former Ambassador Robert Murphy, Mr. Stephen Ailes, and Mr. Leo Cherne. They have the responsibility of taking complaints from individuals or from the Inspectors General of the CIA, the defense intelligence community, and to make an objective analysis of any abuses by individuals or an agency. Then in order to strengthen the intelligence community in an effective way, we have set up—we have first gotten rid of about 10 different boards that were overlapping in duplication, and we have established an intelligence community committee headed by the new head of the Central Intelligence Agency. And there are three of them that will bring together the intelligence community, which is made up of the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and three or four others, and they report to me directly.

When you come right down to it, the person in this area who has the final responsibility is the President. And I believe that you have to hold people accountable, and I am fully willing to assume that responsibility. And I think it is the way it should be handled. If it goes wrong, the President ought to assume the liability. If it does well, then it is good for the country. But in the final analysis, the accountability comes right into the Oval Office of the White House with the President, and I think that is the way to solve the problem.

CUBAN AND SOVIET INVOLVEMENT IN AFRICA

[7.] Q. What specific role would you have the United States play in the event of intensive Cuban and Russian involvement in the overthrow of the Governments of Rhodesia and South Africa?

THE PRESIDENT. Well, first, we believe that there ought to be more progress in Rhodesia where there are, as I recall the figures, some 220,000 whites and 5 or 6 million blacks. There ought to be movement toward a majority government. That, I think, has to be, inevitably, the result.

Number two, in South Africa, the situation is somewhat different. Namibia,

a U.N. or former League of Nations mandate, now more or less in the same status as far as the U.N. is concerned—I think there has to be some progress there.

Now, to get to the question, what would the United States do if 12,000 Cubans and Soviet superiors were to move into Rhodesia or other areas. We have been very firm in saying that no Soviet, no Cuban adventures beyond Angola ought to be undertaken, but for me to give you in detail what the United States would do, not knowing how they would operate, I think would be improper.

We have all kinds of contingency plans for all kinds of potential action that might be taken by the Soviet Union or Cuba in circumstances you have indicated, but I can't answer a speculative question. We have to deal with reality. And if and when reality develops in that area, I can assure you that we will strongly oppose any action by the Soviet Union and Cuba because that is pure international adventurism. The problems ought to be solved differently, and we are working to help in that regard.

Q. Mr. President, I have a question concerning what critics consider the next African hot spot, the area around Djibouti, Ethiopia, and Somalia. In the event of a crisis, how will you approach French interests and Soviet interference? And how do you expect Congress to feel, and how do you think the American people feel about this?

THE PRESIDENT. Well, the problem in Djibouti is a serious one. The French have not yet given up that territory. It is moving, I think, in a dangerous trend, but at the moment it certainly is a French responsibility with the nationals or the locals.

We, of course, are concerned not only with southwest Africa and the develments in Angola but also eastern Africa with Somalia, Djibouti, and any of the other areas. We, in all of Africa, feel that the Soviet Union is going beyond any legitimate interests that they might have. But I have to give you the same answer I gave the other gentleman, Steve, that we can't speculate, we have to deal with reality. And right now the reality has not developed to the point where it requires any specific U.S. action, but we are familiar with it. I keep close tab on it myself, and other than to say I don't think the Soviet Union or Cuba should continue its adventurism in Africa, I can't give you any specific answer to a hypothetical question.

U.S. RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA

[8.] Q. Mr. President, the question I have relates to our foreign policy to the People's Republic of China. In your view, what is the U.S. national interest

vis-a-vis the country, and what are you doing at the present time to achieve that objective or those series of objectives?

THE PRESIDENT. Our interest is, I think, very pragmatic. Eight hundred million-plus individuals, a tremendous mass in a very strategic part of the world—it is an area where we have to continue the normalization process.

When I went to China in December, I had the opportunity of meeting with Chairman Mao and the other leaders. We have a great many areas of agreement. We obviously have many areas of disgreement as to their social system, their economic system. We obviously prefer ours to theirs, but we do have areas throughout the world where we have similar views. And I can assure you that in those areas, we will work with them. In other areas where we disagree, it is a recognition of different objectives.

I think it is vitally important for the United States to continue to improve, to broaden, to normalize that relationship. I have done so. I will continue to do so in the years ahead.

PRESIDENTIAL DECISIONMAKING PROCESS

[9.] Q. Mr. President, we deeply appreciate your taking the time to be with us today. As a concluding question, I would like to ask you this: Because of the awesome power of the position of the Presidency and because of the problems of past administrations succumbing to the group-think syndrome of invulnerability and infallibility in decisionmaking, what means have you found to avoid those kinds of things happening in your administration?

THE PRESIDENT. In the first place, I have assembled one of the outstanding Cabinets, certainly during my time. When you take such high class individuals as the Attorney General, Ed Levi, the former chancellor of the University of Chicago; when you take Henry Kissinger, who I think is one of our great Secretaries of State; when you take one of your fellow citizens of Illinois, the new Secretary of Defense, Don Rumsfeld; Bill Coleman, Secretary of Transportation—we could go on. I think having the opportunity to have a Cabinet of that quality assembled to discuss alternatives is a great help, and believe me, they do discuss these issues. There are differences, and I happen to agree with the philosophy that it is good to have differences expressed frankly, freely. Somebody in the process of a committee meeting has to make a decision. But it is healthy and wholesome, and I am a beneficiary by having this diversity of viewpoint.

We also have the National Security Agency which is the agency that gives to me recommendations in foreign policy and defense policy. We have also the

Economic Policy Board that is headed by the Secretary of the Treasury and has other Cabinet officers on it. They give me advice in the economic field. We have just established a new food policy committee headed by the Secretary of Agriculture. They will make recommendations to me in the field of food policy, both national as well as international. I could go on.

It is the process of having good people give frank recommendations that I think avoids the abuse that took place in the past. First, the quality of the people and the organizational structure, I think both of them contribute to any abuses, difficulties such as have taken place under previous administrations.

NOTE: The President spoke at 10:10 a.m. in Edman Chapel. In his opening remarks, he referred to Todd Gray, student body president, and Dr. Hudson T. Armeding, president, Wheaton College, and Representative John B. Anderson.

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Remarks and a Question-and-Answer Session With Members of the Chicago Council of Foreign Relations. *March 12, 1976*

Thank you very much, Gus, John Rielly, Senator Chuck Percy, Congressman John Anderson, Governor Ogilvie, distinguished guests, ladies and gentlemen:

I really welcome this opportunity to answer your questions at the conclusion of my remarks about the foreign relations of the United States.

Founded shortly after the First World War, your organization recognized much earlier than many Americans the importance of the international role which had been thrust upon this country by the course of history. For more than a half a century, you have contributed significantly to greater understanding by our citizens of the foreign policy issues facing the United States.

In the crucial years of the thirties, just before World War II broke out in Europe, one of your former Council presidents, the late Governor Stevenson, pointedly stated your purpose, and I quote: "Only if we make ourselves aware of the problems that confront this tormented world . . . can the freedom and privileges which we have come to take for granted be assured to the future generations yet unborn."

Years later, when I was campaigning ardently for General Eisenhower against Governor Stevenson, I never dreamed that I would be quoting both of them here in Chicago in this capacity today. But I can do so, because the record book of public service to America clearly shows that, political rivals though they

were, when the chips were down and the national interests of the United States were at stake, both President Eisenhower and Governor Stevenson were effective and dedicated champions of our bipartisan [post-] war policy of peace through strength.

President Eisenhower clearly stated our national purpose in these words, and I quote: "We seek peace, knowing that peace is the climate of freedom. And now, as in no other age, we seek it because we have been warned, by the power of modern weapons, that peace may be the only climate possible for human life itself. . . . We are called to meet the price of this peace. To counter the threat of those who seek to rule by force, we must pay the costs of our own needed military strength and help to build the security of others."

Our policy of peace through strength is not something that I have recently invented. It is something we first found in our history books when we read George Washington's wise counsel, and again I quote: "To be prepared for war is one of the most effectual means of preserving peace."

Peace through strength was an issue in my first political campaign when I followed the late Senator Arthur Vandenberg, my friend and mentor from home, in supporting NATO, the Marshall plan, and aid to Greece and Turkey.

Peace through strength is my consistent guide, or was in the 553 votes I cast on defense and foreign policy issues while a Member of the House of Representatives in the Congress and as ranking Republican of the Defense and Foreign Aid Appropriations Subcommittees and as minority leader of the House.

Peace through strength has been my constant goal as your President. And let me tell you what I mean by peace through strength—not with election year rhetoric but by the record. Let me define our national security policy not with words, but what we have actually done to advance peace in the world and to maintain strength at home. In my very first words after taking the solemn oath as President, I pledged an uninterrupted and sincere search for peace. I said America will remain strong and united, but its strength will remain dedicated to the safety and to the sanity of the entire family of man, as well as to our own precious freedom.

One need only remember Pearl Harbor, and some in this audience do, to know that weakness invites war. But now that Americans are no longer fighting on any front, there are many sincere but, in my judgment, shortsighted, who believe that billions for defense could be better spent for other programs.

I am convinced that adequate spending for national defense is an insurance policy, an insurance policy for peace that we cannot afford to be without in

today's world. We must have this life insurance because we face a powerful adversary armed with deadly weapons, whose principles and whose purposes are fundamentally different from ours.

We will work to reduce confrontations and avoid nuclear catastrophe, but we must also be prepared to meet challenges wherever and whenever they occur. It is no secret that the United States and the U.S.S.R. have fundamental differences in political and economic ideology. We will never cease the defense of the principles for which we stand—freedom, individual rights, and our deep belief that government exists to serve its citizens. Our task is a dual one: to defend and promote the ideals of the American people and to seek to reduce, whenever possible, the tensions and confrontations which could lead to nuclear holocaust.

To do this, we must maintain a position of unquestioned strength. That is why a few months after becoming President, I sent to the Congress the highest peacetime defense budget in the Nation's history, more than $104 billion. Regrettably, Congress cut over $6 billion from the budget.

This year again I have gone to the Congress with another record peacetime defense budget request of $112.7 billion. My current defense budget request before the Congress at the present time reflects my determination to maintain America's defenses, both strategic and conventional, at the levels our national security requires. They include an increase in real dollars of $7.4 billion to buy new weapon systems, to continue to improve the readiness of our existing forces, and to increase selective forces while trimming off all the fat that we can.

Funds are included for 16 new Navy ships and continued modernization of the fleet, including nuclear-powered submarines and guided missile frigates. I will ask for more in the way of Navy shipbuilding if a current study shows we need a faster buildup. Work will continue on the Trident submarine, the B–1 strategic bomber, cruise missiles and ballistic missiles, a new combat fighter for the Army and for the Navy and the Air Force, and advance tanks, amphibious and infantry vehicles for the Army.

Just as I have persistently worked to maintain elements of America's strength, I have also diligently sought peace through strength. Three times as President, I have gone to Europe to reaffirm our NATO commitment with our Western allies, to coordinate our economic and energy policies with the industrialized democracies, and to improve our trade and contacts with the peoples of Eastern Europe and reassure them of the bond between us.

I went to Europe to say to the leaders of the Warsaw Pact nations, indeed to the 33 European nations, East as well as West, that the descendents of Europeans

in America still live by the principles set here some 200 years ago—that all men, not just Americans, but all men and women everywhere are endowed by their Creator with inalienable rights of life, liberty, and the pursuit of happiness. I told them plainly, and I am proud to say it again here today, that we Americans still believe in those principles; that they remain the guidelines of our national policy, and they continue to give hope to millions of people who long for liberty in Europe and around the world.

Twice as President, I have traveled to Asia to strengthen our vital partnerships with postwar Japan and our other free allies and to further improve our relations with Mainland China, which are essential to peaceful progress under our Pacific doctrine.

I also met in Vladivostok with General Secretary Brezhnev, where we reached preliminary agreement on limits to the uncontrolled strategic nuclear arms race between the Soviet Union and the United States.

As you know, we are still negotiating the details of such an agreement, and I cannot say when or even whether this will be completed. But I can say that ever since the Russians set off their first nuclear explosion in 1949, every President of the United States has been trying to slow down or stop this deadly duel, and this is the closest we have ever come. And I will say, also, without hesitation, that I will never agree to any such treaty or submit it to the United States Senate for ratification unless I am totally convinced that it is in the best interests of the United States and of the peace of the world.

If we do get a good SALT II agreement, it will keep a lid on strategic arms for the the next 7 to 10 years. It will compel the Russians to cut back on their current strategic military capability.

To fully verify any such agreement—and that is absolutely essential—we will have to maintain our United States intelligence capability as the finest in the world. That is why I have ordered a basic reform to strengthen and to improve our foreign intelligence operation and, at the same time, stop any future abuses of the rights of all Americans. Both these duties are the job and the responsibility of the President of the United States, but I will not let anybody wreck our worldwide intelligence capability.

I happen to believe it is time we stopped downgrading America and its priceless institutions. I have faith in this country, in the goodness of its people, in the rightness of its purposes. Because we have used our great strength and our great, great abundance to help others, the United States is able to play a positive role as peacemaker in the world.

The Sinai agreement between Israel and Egypt reached last September is working well and is a milestone toward a permanent settlement in the Middle East. We are strengthening old and new friendships with the nations of Latin America and Africa, and I have warned Castro's Cuba and its Soviet sponsors against any further armed adventurism in either continent.

We are standing up and speaking out for our principles in the United Nations and will continue to do so. We are promoting our overseas trade and have reached or restored a favorable balance, in large part through the efforts of the American farmers, whose productivity is one of the Nation's greatest strengths for peace.

Peace and strength are a part of a single policy—two sides of the same coin. Secretary of State Kissinger and Secretary of Defense Don Rumsfeld are carrying out a single policy for the United States. A good example of this appears in this week's U.S. News and World Report, which contains extensive interviews with both of my Cabinet members.

They were questioned separately, and neither knew that the other was being questioned, and obviously didn't know the answers the other was giving. But the policy they set forth is clearly and completely consistent.

They have different responsibilities, but a single goal. That goal, peace through strength, is the right policy for this country in the very difficult and very dangerous times in which we live. Lincoln told troubled Americans of his time to have faith, that right makes might. He did not neglect the strength that material might provides, nor can we.

But neither must we forget the rightness of what we stand for throughout the world. We stand for freedom, because freedom is right. We stand for peace, because peace is right. We stand for strength, our national strength that makes both peace and freedom secure for ourselves and for others, because that kind of strength is right and will certainly prevail.

Thank you very kindly.

Q. Thank you very much, Mr. President. I will lead off with the question for you to be followed by questions from the audience. And the first question is: As you know, a number of your critics of American defense policy have stated that the American people are no longer prepared to pay the cost of a defense budget that is required to support our foreign policy role as we have defined it for the past two decades. What is required, they argue, is a fundamental redefinition or cutting back of our commitments and our interests in the world. I wonder if you would respond to that question?

THE PRESIDENT. I am an optimist that the American people, if they are told the facts and the logical arguments that can be given, will support an adequate defense policy. We have had for the last 10 to 15 years, a declining trend in support for our military capability. We have been spending a lesser and lesser amount in real dollars. I think the time has come that we must reverse that trend, and the budget that I submitted in January of this year for $112.7 billion is the mechanism by which we can reverse that trend.

The American people went through a traumatic period during the war in Vietnam. For reasons I think we all understand, whether we agree with them or not, the American people became somewhat disillusioned with what our role and responsibilities have to be throughout the world.

Perhaps in days gone by, we went too far, but whether we like it or not, we have responsibility for our own security and to help others in a responsible and constructive way. To do that, to deter aggression, to maintain peace, to protect our own security, we have to have this change in the direction of our defense programs and policies.

I am convinced, and I see a feeling coming through as I travel around the country, as I listen to people, that the American people have gotten over that traumatic experience of the last 10 or 15 years and are now beginning to have the same fine attitude that they had in the post-World War II period. That is essential for us and for what we stand for around the world. And I am an optimist, the American people will support it.

Q. The second question, Mr. President: In his Boston speech yesterday, Secretary of State Kissinger warned about Communist gains in Italy and France. And the question is, what are the administration's plans in doing something about this problem?

THE PRESIDENT. From my first visit to Brussels in May of last year, when I met for the first time with the heads of the government of the NATO nations, I said then, and I will reiterate now, we would have a weakened NATO if the governments of any one of the NATO countries were controlled by the Communist elements of that country.

We have a very difficult situation in Italy. The situation in Portugal has gone through a very difficult period. But if any 1 of the 15 countries in NATO is controlled or dominated by the Communist forces in those countries, I think that NATO would be weakened.

In France, as you know, in the last election, the Communists joined with the Socialists and came very, very close. We see evidence of the leader of the Communist Party in France and the Communist Party in Italy attempting to dis-

associate themselves from the international Communist movement. I have to be somewhat skeptical of the sincerity of those positions. I believe that NATO and the Western Alliance will be stronger without any such involvement by a Communist-dominated government. So, I strongly support the policy that America should build the alliance on free government policies and not governments dominated by Communist political parties.

Q. Another question, Mr. President, and there have been quite a number on this subject. Since your visit to China in December, there has been, of course, a change in the leadership there. Could you comment on the administration's current policy both toward the mainland government in Peking and, secondly, about the plans for this administration's dealings with the government on Taiwan?

THE PRESIDENT. When I was in China in December of this year, of course it was the second trip that I had made. In 1972 I went with the Democratic House leader, and the two of us spent almost 2 weeks there. And we went back in December of this year and had the opportunity of meeting with Chairman Mao and other top leaders in the People's Republic of China.

I believe that the progress we are making in our relations with the People's Republic is right on course, predicated on the Shanghai communique of 1972. It is a slow but, I believe, constructive process. We are developing broadening relations with 800 million people, a country that dominates the landmass in Asia. And I believe it is in our interest to continue to broaden and strengthen that relationship in a prescribed way that was laid out first at the time of the Shanghai communique.

The relations at the present time with the Chinese Nationalist Government on Taiwan are good. We have a defense treaty with the Chinese Nationalist Government. They have had an amazing rebound in their economy, and they are no longer dependent upon us for economic or military assistance. The relationship, we hope, can continue to be a beneficial one. And I hope as we move toward normalization with the People's Republic, that we can maintain a proper relationship with the Chinese Nationalist Government. It is difficult to write a prescription here in Chicago, but I think it is possible, and I think it is in our national interest.

Q. We have a number of questions about the relations between the executive branch and Congress. Specifically, how can a President in conducting foreign policy operate efficiently if the majority of Congress is going to operate politically and place severe restrictions on the President?

THE PRESIDENT. Let me say I give the Congress the benefit of the doubt

that what they do is not politically oriented, because I think whether I agree with them or not, or they agree with me, they have views that I have to respect, and I trust they respect mine. I have been disappointed, however, in some of the actions that were taken in the last 19 months by the Congress; I think they have been harmful in the implementation of an effective foreign policy. Let me cite several.

In the 1974 Trade Act, there were certain limitations placed on what we could or could not do in trying to stimulate our trade relations with the Soviet Union. This was bound up indirectly, if not directly, with our efforts to get the Soviet Union to expand the emigration of primarily Jewish emigrants from the Soviet Union to Israel.

In 1974, as I recall, some 35,000 Soviet Jews left the U.S.S.R. and primarily went to Israel. In 1975 that dropped to about 12- to 15,000. Primarily because of language which was written into the Trade Act of 1974, the Soviet Union felt that the obligations in that legislation were such that they could not continue the trade relationship with us. And I think it is perfectly obvious, the net result was there was a slowdown in Soviet Jewish emigration to Israel. I think that was a bad mistake that the Congress made, because I was personally confident from assurances that I had, that instead of keeping the emigration at 35,000, it probably would have increased if we had not had the action by the Congress.

Now, you can take another issue. The limitation by the Congress on what we could do in delivering Turkish military aid was very harmful. I know the intentions were the best. The Congress, or a majority of the Congress, felt that if we put the pressure on Turkey, they would withdraw 40,000 troops from Cyprus. Well, we had that limitation on for about 9 months, and no movement. We want to solve the problem in Cyprus, and if we had been given a free hand to do so, I am convinced we could have solved the problem of Cyprus months ago.

The action by the Congress actually delayed, hampered, hindered the negotiating capabilities that we had at that time to work with both the new Greek Government, Karamanlis', and the Turkish Government under Prime Minister Demirel. Finally, the limitation has been taken off—not totally, but in part—and we are beginning to get some movement in the solution of the Cyprus problem. But the action of the Congress, in my opinion, delayed and hampered some action that I think could have solved it much, much quicker.

What I am saying is, if you go back to the debates in the Federalist Papers, you will see that our forefathers who drafted the Constitution understood that for a day-to-day implementation of foreign policy, you need one single person;

you can't have 535 Secretaries of State. Now, I want to work with the Congress, and we are, but at some point responsibility has to be given to one person. And I hope that in the months ahead, without political operations or motivations, we can work together. I certainly will bend over to the maximum to achieve that relationship.

Q. One final question, Mr. President. Related to your earlier remarks, it is clear that the bipartisan tradition in foreign policy is once again under strain in a campaign year and that foreign policy issues have already become issues in the primary campaigns. The question is, do you expect that foreign policy issues will play a decisive role in the Presidential election campaign, itself, in November?

THE PRESIDENT. Well, I do regret that foreign policy has been interjected into both the primary as well as, potentially, in the Presidential election. I think the finest implementation of foreign policy in this country came at a time when Democrats and Republicans, Congress and the President, were working together. There really should not be wide divisions. And I would hope that we could—not do away with the responsible discussion of foreign policy, but I think it has to be kept in the right context if we are to maintain the assurances of support from our allies, if we are to have adversaries around the world respect the United States.

I can assure you that when there are deep divisions within our country on foreign policy, our allies begin to question, what direction will America go? And I think our adversaries are tempted to exploit or seek to exploit what they seem to think are weaknesses. So, I would hope to the maximum degree possible, that foreign policy will not be an emotional issue. I think it is an area where we can have responsible dialog, but if it becomes a deep, divisive influence for the next 6 to 9 months, I think it could be harmful as we try to achieve what we all want—peace—and at the same time, opportunities for others.

I will take one more if you want to, John.

Q. We have several on the subject of what are the prospects for continued stability in the Middle East.

THE PRESIDENT. We, of course, in September of last year, were very fortunate to get the Israelis and the Egyptians to work together for the Sinai agreement. We have participated to the extent of providing observers in the neutral zone, and we are helping both Israel and Egypt. And this has been a great step forward, but obviously there are some very difficult problems to solve—the problems of the PLO, the West Bank, the Golan Heights, the rest of the Sinai, the agreements that are reached, whether it is full peace or nonbelligerency.

These are very complicated and emotional issues, but I am an optimist, based on or predicated on the success that we had working with Prime Minister Rabin and President Sadat. I think that world pressure is going to be helpful in continuing the momentum that we played an active part in, and I think it would be in the best interests of the world as a whole and certainly, the best interests of that volatile, complicated, controversial area if we could continue to move ahead responsibly, bearing in mind that this country is dedicated to the security and survival of the Government of Israel, that this country believes that we have to work with some of the Arab nations to convince them of our good faith, and they can trust us.

But if we stop and do nothing, if we don't move to help the momentum going, I think we could have another outbreak. And we have had four in 25 years, and each one gets bloodier and worse with more world powers potentially involved. So we have an obligation to work with the Israelis as well as their Arab neighbors. And this administration will, because we have their faith, we have their trust, and we have shown results by working with them.

Thank you very, very much.

NOTE: The President spoke at 12:25 p.m. in the Grand Ballroom at the Palmer House in Chicago, Illinois. In his opening remarks, he referred to Augustin Hart, Jr., chairman of the board of directors, and John E. Rielly, president, Chicago Council of Foreign Relations, and Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee.

Prior to his remarks, the President attended a reception in the Crystal Room at the Palmer House for guests of the council.

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Remarks and a Question-and-Answer Session With Members of the Northern Illinois Newspaper Association in Chicago. *March 12, 1976*

THANK YOU very much. I will try to answer some of your questions. It is a pleasure to have an opportunity to meet with the Northern Illinois Editorial Association or Newspaper Association, and I understand this is your 15th anniversary—congratulations.

But without further ado, I would be delighted to start the questions.

GENERAL REVENUE SHARING

[1.] Q. Mr. President, Federal revenue sharing has become a major source of support for Illinois governmental units, and there is a great deal of concern that is about to be shut off. What do you see as the future of this program? Will

there be changes in its administration? Will it become permanent or is there some way the burden of this tax collecting will be shifted to the communities?

THE PRESIDENT. Almost a year ago, I recommended to the Congress a 5¾-year extension of the existing law which expires December 31, 1976. I recommended that it be extended because I think it is one of the best programs the Federal Government does in seeking to aid State and local units of government. By the end of this calendar year, the Federal Government will have contributed to State and local units of government, I think it is almost $30 billion.

The administrative cost of this program is unbelievable. It is one of the best records of any Federal aid program. I think less than 100 Federal employees handle the whole distribution of all these funds to the 50 States and the almost 5,000 different units of government at the local level. I think the administrative cost on an annual basis is one-twelfth of 1 percent—unbelievably low.

Now, I recommended this 5¾-year extension almost a year ago. We have been working with Governors, with mayors, with county officials trying to get the Congress to get off dead center. I was told that yesterday a subcommittee of the House Government Operations Committee marked up a bill which is not the legislation I proposed. It is my understanding that subcommittee has recommended a 3-plus-year extension. I am told that instead of adding 150 million a year to the formula that has been in existence for almost 5 years, they have cut out that $150 million add-on each year.

I don't like that approach. I think we ought to give certainty with a longer term, and I think we ought to provide the growth factor in the annual funding for the State and local units of government.

I can assure you and the Governors and the mayors and the county officials that we are going to continue to try and get the recommendations that I proposed, which all of them support.

CONGRESSIONAL ACTION ON THE DEFENSE BUDGET

[2.] Q. Mr. President, in Florida 2 weeks ago, when I was there, you mentioned that you were going to drop the word "détente" and, instead, would seek peace through strength. Now, would you mind commenting on how you propose to seek this strength or defense against the 100 or more liberals that we now have in the Congress?

THE PRESIDENT. I think the public will see that they change and that they change to support the $112.7 billion defense program that I have recommended, which is the largest peacetime defense program in the history of the United States. I am an optimist that the impact of the public will be sufficient to get

any Member of the House or Senate who has been cutting the defense program to support this defense program.

And I suspect if Members of Congress are going to try and slash the defense program in 1976 as they have in prior years, the public will see to it that they will hear about it next November. I think that is the best way under our system to convince Members of Congress that we must change our defense spending to go from a downward trend to an upward trend, as I have proposed.

DEVELOPMENT OF ENERGY RESOURCES

[3.] Q. Mr. President, is there still a fuel shortage, and will the price of fuel rise?

THE PRESIDENT. There is no fuel shortage. The shortage could come in any year ahead of us if we were to have another embargo such as we had by the OPEC nations in 1973.

The problem is not an immediate shortage. The problem is that we are becoming more and more dependent on foreign oil imports. Two years ago, we were relying on foreign oil imports to the extent of about 33 percent. Today, it is up to almost 40 percent, and unless we stimulate more U.S. production of oil and natural gas, and unless we utilize our vast resources of coal, unless we expedite the construction and installation of more nuclear powerplants, unless we more rapidly develop some of our exotic fuels, our dependence on foreign oil will go up, up, up, which means that we are more dependent not only on the amount of foreign oil but the price they charge us.

So, if we don't get away from foreign oil imports, we are going to have higher fuel costs. That is why it is highly essential that we develop more and more domestic resources here as our sources of energy.

RAILWAY SAFETY PROGRAMS

[4.] Q. Mr. President, there have been several multiple fatality accidents at Illinois railroad crossings in recent months, and we have been told that several billions of dollars are in a railroad safety act fund in Washington. Why can't these funds be released to help repair this problem?

THE PRESIDENT. There is a program that calls for a very limited number of Federal projects for rail relocations. I can think of several. There is one out in Elko, Nevada. There is, I think, a total of 10 altogether. They are on a sample basis. I don't think the Federal Government can tackle every rail crossing throughout the United States. That is an impracticality. We do attack the prob-

lem with our interstate, our primary, and our secondary Federal aid to highway programs, and we do have this limited program, but that is not necessarily emphasizing safety. It has other aspects to it. It is one of those programs that the total impact safety-wise is marginal. The more important way to do it is through the primary, secondary, and interstate highway construction program.

Q. Are there Federal moneys that can be released that can help pay for the costs that these local agencies would have to undertake in repairing railroad crossings?

THE PRESIDENT. I think there are some limited amounts of funds, but we are no longer given the privilege in the executive branch to impound funds. We have to submit those to the Congress, and we ask that they be deferred or rescinded. I, quite frankly, can't answer whether or not that limited amount has been referred to the Congress for deferral or rescission. And of course, if it has, in either case it has to be approved or disapproved by the Congress. But I can't give you a categorical answer on that particular program.

SOCIAL SECURITY PROGRAM

[5.] Q. Mr. President, I would like to ask you what you foresee is happening to the social security program in both the near and the far future. More specifically, in the far future do you ever foresee it becoming a voluntary program?

THE PRESIDENT. I don't see it coming as a voluntary program. I don't think it is the way to handle our social security program.

On the other hand, I think we have to be cognizant of the annual deficits that have developed between income on the one hand and outgo on the other. This calendar year, maybe it is the fiscal year, the deficit is about $3 billion. Next year it will be $3.5 billion, the following year close to $4 billion, more than $4 billion. The net result is that if we don't do something about it, the current $43 billion reserve fund will be depleted because if you take $3 billion one year, $3.5 billion the next year, $4 billion the next year, eventually, that $43 billion reserve fund is gone.

So, there are three or four alternatives. You can start tapping the general fund, which I oppose. You can raise the wage ceiling which some propose. I don't think that is the best answer. I recommended in January that to make the Social Security Trust Fund secure that we add six-tenths of 1 percent to the employer and to the employee cost which would at the maximum wage ceiling amount to less than a dollar a week.

Now, the Congress in an election year has rejected that proposal, but that is

only putting off the inevitable. They have got to find an answer under our current beneficiary formula. It is inevitable, something has to be done. I thought we ought to face up to it this year even though it is an election year. And I regret that the Congress is not facing up to it. That is the honest and realistic thing to do.

PRESIDENTIAL CAMPAIGN ACCUSATIONS

[6.] Q. Mr. President, last night the second number two man in the Reagan campaign here in Illinois charged you and your administration with vote buying. I believe Governor Reagan repeated that comment today saying that the announcement of various Federal projects in key primary States just before the election was an attempt to influence the election. I wonder if you could respond to that, if you think that this brings a question of credibility of your administration?

THE PRESIDENT. Well, I have been in 13 congressional campaigns and 1 Presidential nomination campaign. I have always campaigned on my own record. I have never been too concerned about the charges made by an opponent in any one of the 14 campaigns that are leveled at me in a political atmosphere or a political campaign. I don't intend to do it in this case. And we will talk affirmatively about what we have done, and we will let the voters make the decision. I just don't think it is constructive to respond to political charges in the heat of a campaign.

Q. Do you think—if I could follow up, sir—do you think that the question of how well-researched decisions on Federal projects can be called into question as they are announced? In Florida, I think that happened a couple of times in the last few weeks—a VA hospital in St. Petersburg and a highway project down in Miami.

THE PRESIDENT. There has been no decision made on the Bay Pines Veterans Hospital in the St. Petersburg area. I went out and visited the hospital, which is, I think, an obligation on my part. I have been working with the Congressmen from that district over a period of several years on the project, but no final decision has been made.

I guess one of the other charges made in the heat of a campaign involved some mass transit announcement, not by me but by the Secretary of Transportation, who was there. It was a decision made in the regular order of business.

But you know a political campaign generates all kinds of charges. And if we waste our time answering them, why we can't talk about the affirmative things that we are doing, we have accomplished, so I just dismiss them.

VIEWS ON PRESIDENT AS SOVEREIGN

[7.] Q. Mr. President, would you comment on the style of Presidential conduct that was endorsed by former President Nixon in a recently released statement in which he said, in effect, that it is all right for the President to break the law under certain circumstances. Do you agree with that?

THE PRESIDENT. I don't agree with it. I know of no experience that I have had that would bring about any violation by me of either the Constitution or the law, and I certainly don't contemplate violating either one.

Q. Mr. President, do you believe the President of the United States should be looked upon as a sovereign?

THE PRESIDENT. I certainly don't.

Q. Thank you.

THE PRESIDENT. I certainly don't. And I don't expect the public to treat me that way. I don't understand the reason why anyone would raise that question. It is so foreign to our whole society.

SENATOR CHARLES PERCY

[8.] Q. Mr. President, do you have thoughts of inviting Senator Percy into your administration and, if so, in what capacity?

THE PRESIDENT. Senator Percy has been a longtime friend of mine. In fact, in 1949 or 1950, we were jointly honored with 8 other people down in Joliet as 10 of the young outstanding men by the Jaycees. So I have known him from 1949 or 1950. I think he does an excellent job as United States Senator. He has been very helpful to me in this campaign. I think very highly of him personally and professionally—political life. He has been helpful on many occasions representing the great State of Illinois, and I have mentioned him as one of a number of potential Vice-Presidential candidates, not above or below any of the others, but as one of a number. But other than that, I have no specific plans for having him as an active part of the administration.

SCHOOL BUSING

[9.] Q. Mr. President, you have mentioned your opposition to forced busing previously, as have several of your predecessors, yet forced busing continues to be a major political issue. I am wondering if you foresee any changes in the next 4 years that will change the stance of HEW or the courts on this issue?

THE PRESIDENT. Of course, the problem is forced on the country under a judgment or a decision of the United States Supreme Court that came about in the mid-1950's on the basis that it was a constitutional violation of the rights of individuals to perpetuate segregation in public school systems.

Now, the courts make that judgment. Nobody in the executive branch can change that judgment. The problem is that when Congress has tried to change the laws to meet the problem, there is always the constitutional question involved whether the law violates the Constitution just as the practices did for a good many years. I do think, however, that the courts, in applying the constitutional principle, have begun to use more reasonable and rational remedies. That is the real problem.

So the courts, when they have used radical remedies, have torn the local communities' society asunder, but when the courts use a rational remedy for the solution of the constitutional issue, there is a great deal more acceptance by the community.

Now, I have asked the Attorney General and the Secretary of HEW to submit to me any thoughts that they might have or recommendations they might have for what I or we in the executive branch might do. They submitted this a week or so ago. I asked them to take two or three of the suggestions and to refine them more precisely.

I have not gotten their final recommendations back, but I think the final answer really comes in how the Federal courts interpret the *Brown* decision and utilize it in individual cases at the local level. And I have found some of the more recent decisions more moderate.

I strongly disagree with the radical remedies of forced busing to achieve racial balance. I don't think that accomplishes what we all want, which is quality education. I think it is harmful to quality education, and I think there are some recent studies that prove that.

So, if the courts will be more moderate, and we can help in any other way, I think that is the real answer.

Q. A very quick followup. Do you believe any of the candidates that are now running for President of the United States, if elected, could change the busing situation in this country in the next 4 years?

THE PRESIDENT. No, because it is primarily within the jurisdiction and responsibility of how the Federal court system interprets the constitutional issue and what remedies they utilize. So, there is no law that can underline a constitutional issue, it is a matter of the judicial interpretation of the factual situation, the constitutional problem, and the remedy that is used.

I don't see how any Presidential candidate, other than to have an impact or an influence indirectly on the judicial system, would have any capability of changing it dramatically.

HEALTH BLOCK GRANT PROGRAM

[10.] Q. Mr. President, during the 1974 Health Planning and Resources Development Act in the designation of health systems agencies nationwide, will your program of block grants through HEW force a scrapping of HSA's, and, if so, what will replace the planning structure?

THE PRESIDENT. No, my health block grant program seeks to consolidate—I think it is 15 or 16—various federally financed health programs into one block grant to the State and to the local units of government. What that would do is to give no less money than they have this year, in fact we promised them about a half billion dollars more each year for the next several years. It is now $10 billion and it goes up to $10.5 billion, $11 billion under our proposal. What it does is to give the same amount of money or more to the States and to the local units of government for all of these programs and then it depends on how the local or State officials want to utilize that money.

In some States they might want to put more money in Program A and less in Program B. It is a matter of local determination at that point. So, there is no denial of the amount of money, it simply transfers the decisionmaking process to the local unit of government and it does away with an immense amount of redtape because if you have 15 or 16 categorical grant programs, the redtape is unbelievable. If you have one block grant program, you save an awful lot of man hours in the applications and you can reduce correspondingly, I think, a number of Federal employees.

Q. Then is part of the redtape you proposed to dispense with the proposed health systems agencies under HEW?

THE PRESIDENT. Excuse me, I didn't hear you.

Q. ——the health systems agencies under HEW that is being formulated right now.

THE PRESIDENT. No. Well, the Federal agency would be reduced because instead of Federal agencies making the decisions you would have the decisions made at the State or local level where I think they can be done in a far better way. I don't think we have any sanctity about the wisdom of Federal authorities. I think there is just as much, if not more, practical wisdom at the local level.

CONSOLIDATION OF CATEGORICAL GRANT PROGRAMS

[11.] Q. Mr. President, earlier you praised the Federal revenue sharing program, but small communities are finding it increasingly more important to make use of other Federal programs and increasingly more difficult to meet the

complex and frequently changing guidelines to qualify for those programs. Can you, sir, offer any hope for simplifying the bureaucratic process and for making it easier for small communities to deal efficiently and effectively with the Federal Government?

THE PRESIDENT. Yes, I have recommended four major block grant programs that all or in part would answer the problem you are talking about. One, health services—we are proposing 15 or 16 categorical grant programs going into one. Primary and secondary education, plus vocational education, plus child nutrition programs, plus aid to the disabled would also be a block grant program and would reduce significantly the number of applications that local units of government would have to make for educational Federal funding. We also have proposed the social services be consolidated into a block grant program and also the Federal nutrition program.

All of these in one way or another, some more than others, would reduce the burden of applying for Federal categorical grant programs. We would actually take about 60 categorical grant programs and cut them down to 4, and that is a lot of progress, I think, from the local as well as the Federal level.

Q. Thank you.

THE PRESIDENT. Let me give you an illustration why I am convinced it will. Up until 1974, we had seven different categorical grant programs for urban development. We had the Urban Development Program, the Model Cities Program—we had seven of them. When we did away with the seven block grant programs and turned it into a community development program, one allocation to a community, we reduced the number of forms significantly. We have reduced the number of Federal employees significantly, and we have reduced the burden on the local units of government in a meaningful way. If we could do it in that program, I see no reason why we cannot do it in the other four programs that I have mentioned.

FEDERAL STRIP MINING LEGISLATION

[12.] Q. President Ford, this past year you vetoed a bill which would have mandated strip mining companies to immediately restore the environments after the strip mining is completed. If you are elected and such a bill came before you again, what would be your position then, and why?

THE PRESIDENT. If the same bill came before me, of course I would veto it because of several things. One, it would have slowed down our answer to the energy program. It would have slowed down significantly the development and

expansion of our coal mining throughout the country. It would have reduced the number of jobs in this country at a critical time when jobs were very important.

There could be a strip mining bill that I would sign, and I have indicated about 10 different amendments to that legislation. If they were adopted, yes, I would accept them. But that bill that they proposed would have hurt our energy program, would have cut down on the number of jobs in this country during a very critical time. In the meantime, it has been interesting, there have been a number of States—not a number, but a few States—that have moved ahead in their own strip mining legislation, and I think this could be a very good alternative.

But if they would modify the bill I vetoed, which was sustained by the Congress, I think I would accept it.

Q. Could you just mention those States that have made progress?

THE PRESIDENT. I cannot give them to you by name, but it is my recollection that about 25 States as of now have passed strip mining legislation. I understand the State of Illinois has good legislation. I know the State of Ohio does. I know the State of Pennsylvania does. A number of States do have good legislation that meets the requirements of the individual State. And if more would do it, it would obviate the need for Federal legislation.

PARDON OF FORMER PRESIDENT NIXON

[13.] Q. Mr. President, we found in a recent poll taken of our readers that one of the major reasons why the people in our area are not backing you is because of the pardon of Mr. Nixon. Do you think that the pardon will hurt you in the remaining primaries or, more specifically, in the general election?

THE PRESIDENT. I really didn't do it for political purposes. As I said in the statement that I issued at the time I signed the pardon, I was convinced that if we had this turmoil going on with prospective court action for a long period of time, it would continue to divide the United States, the people of this country. And I made the decision just because I thought it was in the national interest—not in his interest but the national interest—to get that tragedy, that trauma period behind us. I did it, I did it at the right time, and I am convinced that it was right.

Now, the political ramifications I can't judge, that is up to the public in the primary, it is up to the public in the general election. But I am convinced it was right in the national interest, and I would do it again.

SECRETARY OF STATE KISSINGER; FOREIGN POLICY AS A CAMPAIGN ISSUE

[14.] Q. Mr. President, yesterday, Mr. Kissinger made some remarks in Boston which some of your opponents have said were overtly political. Have you discussed your campaign with Dr. Kissinger, and if you are reelected, will he be the Secretary of State?

THE PRESIDENT. I have said on more than one occasion that Dr. Kissinger can stay as Secretary of State as long as he wants to. I think the way to judge the success of a Secretary of State is to look at the results. And when you look at what has been accomplished—and let me enumerate several of them—first, the United States, through its efforts, through my efforts, achieved a great breakthrough in the Middle East. We have had four wars in 25 years in the Middle East, and by the work that we did with Israel on the one hand and Egypt on the other, we have been able to take a second step with the Sinai agreement that cools down that volatile, controversial, complex area.

That is success, and we were able to do it because those two countries believe in Dr. Kissinger and believe in the United States. That is a plus, and I think that is the way you judge a Secretary of State.

Now, it is rather interesting that some Presidential candidates have criticized the Secretary of State for pointing out what the Congress has done to impede more progress in foreign affairs or foreign policy.

Well, they have been doing that for a year. I think it is perfectly legitimate for me or the Secretary of State to respond to those charges, and I intend to do so where I think they have been wrong. I think they were wrong in what they did in the Trade Act of 1974. I think they were wrong in how they have handicapped us in trying to get a solution to the Cyprus question. I think they have been wrong in a number of other cases. If they are going to attack our foreign policy, I think we have the legitimate and proper role to respond, and I certainly intend to.

THE PRESIDENT. We don't discuss the politics of it. We discuss whether we were right, and what we ought to do in the future to make our foreign policy work. And what we have done, we are proud of, and what we intend to do will be in the best interests of the United States. We don't discuss the politics of it, no.

ECONOMIC POLICY

[15.] Q. Mr. President, the indicators show we are headed for a period of economic growth. Is there any point where you will put on the brakes to prevent renewed inflation, or increase of the inflation rate?

THE PRESIDENT. Well, as long as the inflation rate is going down, which it is—when I took office it was over 12 percent per year, it is now down in the range of 5¾ percent to 6 percent. The trend is down. We see no reason whatsoever why that trend should change. As long as the trend is there, we will continue to use the economic policies that we have been utilizing. I can't foresee anything that would get us to change our economic policy.

The rate of inflation is going down, unemployment is going down, employment is going up, and the net result is, we are making very significant headway—more than we anticipated in January, incidentally. And as the Chairman of the Council of Economic Advisers said several days ago, if this continued improvement also continues to improve, we will undoubtedly have to reevaluate our forecasts, which could have an impact on our budget and a number of related matters.

I am just pleased that we are making headway, and I see no reason why we should change our economic policies.

EMPLOYMENT OPPORTUNITIES

[16.] Q. Mr. President, you just talked about the inflation rate going down. What kind of employment picture do you see for new high school and college graduates this spring, and what kind of advice would you give them?

THE PRESIDENT. That is a serious matter because approximately 1.8 to 2 million new job applicants come into the labor market every year and they primarily come from high schools and colleges. The youth unemployment rate is higher than the national average for everybody. We have got to expand the economy, the domestic or the private sector of the economy, to absorb that influx. I think the best place to do it is in the private sector where five out of six jobs in our society now exist.

And how can we do it? First, by having a general tax reduction larger than the one the Congress approved. Number two, by having specific tax incentives to private industry so that private industry will move into areas of high unemployment and build plants and buy equipment this year rather than wait for 2 or 3 years. That will provide jobs.

In the meantime, I think we have to fully fund what is called the Comprehensive Education Training Act, CETA, so that those who graduate without a skill can be trained for a skill where there is a demand, and there are areas in our employment across the country where there is a shortage. That particular legislation and the funding we have provided will help in that regard.

I believe as the economy improves, and it is, that the prospects for next spring or this coming spring are an awful lot better than they were last year. I can almost be certain of that. There is no reason why it should not be.

Q. Mr. President, the Northern Illinois Newspaper Association expresses its appreciation to you, Mr. President, for this press conference. We also are pleased to have shared this press conference with the Washington press corps and the Chicago press corps.

Thank you, Mr. President.

THE PRESIDENT. Thank you very much. I am grateful to have a chance to meet with you, and good luck. I am glad you included some of those friends of mine over there.

Nice to see you all. Thank you.

NOTE: The President spoke at 4 p.m. in the Grand Ballroom at the Chicago Airport Marriott Inn.

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Remarks and a Question-and-Answer Session in Buffalo Grove, Illinois. *March 12, 1976*

Thank you all. Thank you very, very much, Governor Dick Ogilvie, Senator Chuck Percy, Congressman Bob McClory, Mayor Fabish, Mayor Ryan, Dr. Miller, students and guests of Buffalo Grove High School:

What an inspiration to be here in Buffalo Grove High School with this wonderful student body, this tremendous faculty. It is great to be here and to celebrate the Bicentennial.

I want to say how deeply grateful I am that Marguerite Church is here. She has been a longtime friend of mine. I had the privilege of serving with her husband in the Congress and the great honor and privilege of serving many years with her in the House of Representatives. She is one of the outstanding women in this country and, Marguerite, it is wonderful to have you here, and I thank you.

I wish my wife, Betty, was here, but she left Washington last Monday and went to Arizona, to California, and came back and met me here in Rockford last night. She has undertaken a mission around the country, and she asked me to express her apologies for not being here. But her mission is to try and get my votes up to her polls—[*laughter*]—and if she does, we are bound to win, believe me.

I do want to congratulate you on this tremendous school here at Buffalo Grove. I understand there is a very sizable crowd in your fieldhouse, and I regret they couldn't all crowd in here. But let me say to them if they are listening, that we will come over and see you when I get through here. I am looking forward to it and thank all of them for being here, even though they couldn't be in the gymnasium this evening.

This is the last stop of our visit to Illinois this week, and I am especially glad to be winding up this trip here because, quite frankly, I have a good many friends in this area right here in Buffalo Grove.

I am told that my daughter, Susan, has a friend who teaches in this high school. Well, we'll call that a secret then. Even though this is an open administration, it is up to you to find out.

And a week ago, my son Jack was traveling in this particular area, speaking—[*applause*]—I guess I had better send Betty and Jack out here. Well, I am delighted that he did so well. I hope it covered into the political arena, as well as into the social side.

Quite frankly, I look forward very greatly to the opportunity of answering your questions, but before that, let me make a few brief remarks.

I ask you to think back for a moment how things were about a year and a half ago. If you will refresh your memory, our country was badly troubled. Our national spirit had been weakened by a long and divisive military conflict and by the shocks of a political situation that had much in the way of abuse. Our national economy had been weakened as well, and in its unhealthy state, it was threatened by the unprecedented double threat of recession as well as inflation. That was the situation confronting me when I moved into the White House in August of 1974.

My top priority was to get our Nation back on its feet and to restore confidence in our government. I set about conducting an open and a responsible administration, following the dictates of the law and of my own conscience—straight talk—not to promise more than I could perform and to produce everything that I promised.

I refused to be panicked into dangerous economic policies that would have threatened our country's long-range growth and prosperity. The statistics show that our economic policies have been the right ones. Inflation is less than half of what it was in August in the fall of 1974. All the jobs lost during the recession that hit us have now been recovered; the last report for the month of February shows that we had 86,300,000 people gainfully employed, reaching the alltime peak of employment in the history of the United States.

But those statistics don't tell the whole story. Consumer confidence is again on the rise and rising rapidly, and Americans are buying cars and retail goods at an increased rate. Americans again feel confident to invest in their future and their Nation's future. Our inflation rate is still too high, and there is still too much unemployment. But we are taking firm steps in the right direction, and we are going to keep up the pace that is now moving very, very rapidly.

For one thing, we are going to keep down the cost of living by keeping down the cost of the Federal Government. We are going to improve those Federal programs that do work and get rid of those Federal programs that don't.

Take revenue sharing, if we can, for a Federal program that does work. It is cheap to administer. The running costs, or the costs of administration are less than one-twelfth of 1 percent for every dollar handled. That much—in the way of funds, some $5 billion a year, costs the least of any Federal program that we administer, and it goes from the Federal Government to the State government to the local government across this great land. It combines the efficiency of the Federal revenue sharing system with the accountability of your local government.

Under the current 5-year general revenue sharing program which ends this December, Illinois State and local authorities will have received over $1½ billion. It has been a good investment at the State and at the local level. It has helped to maintain local community services. It has helped to educate your children. It has helped to keep your taxes down.

Revenue sharing by any criteria has proven its value and its realistic appraisal of the Federal Government's role. That is why, with the help of the Congress, I intend to extend and to increase this program, because realism and common sense is what we want, not rhetoric.

I have been dealing with the realities of the Federal Government not just in the last 19 months, but during a quarter of a century of service in the House of Representatives. I believe that my experience has a lot to do with what I can accomplish and have accomplished for the American people.

One thing that my experience has taught me is that America needs strong defenses to keep it secure and at peace. I believe in peace through strength. If we are strong enough, we can deter aggression, we can maintain the peace, and we can take care of our national security against any challenge from any quarter. As a nation today, we are second to none in military strength. And I, with the help of the Congress, intend to keep it that way.

Another thing that my experience has taught me is how to use the machinery of the Federal Government for the well-being of the American people. For

example, I came into the White House facing what some people called a veto-proof Congress. But I used my veto, in fact I used it 46 times and had an 85 percent batting average on those vetoes. Those 39 successful vetoes which were upheld by the Congress—you, the American taxpayer, have been saved $13 billion in Federal spending, and that is progress by any measure. I think my opponents or adversaries in the Congress of the United States know that I fully intend to keep pressure on the budget-busters. If they send down more veto-prone bills, they know that if they have excessive spending in them, they will be vetoed one after another.

And with the same kind of sensible approach to Federal spending we have taken this year, we can have a balanced Federal budget in 1979. That means that additional Federal income tax cuts will be possible, putting money back into your pocket instead of having it spent by the Federal Government for programs that, in many cases, cannot be justified. A balanced budget is only a very important part, but a part of the balanced policy which I intend to pursue throughout the Federal Government.

As I see the picture today, we need a new balance of power between Federal, State, and local authorities; a new balance of responsibility between the individual citizen and the government which serves him; a new balance between those who pay taxes on the one hand and those who benefit from them on the other.

All of these elements of a new balance will give our great Nation a new strength and a new stability. We will have a sound and very solid base on which to build an even greater America, an America that will continue to be a source of inspiration for the best hopes of the entire world. And that is what we want for this generation and for the next generation and for the generations that follow.

Now I look forward to the opportunity to answer the questions. The gentleman on my right, I guess.

QUESTIONS

GENERAL REVENUE SHARING

[1.] Q. I have one question. In the topic of revenue sharing, do you anticipate any changes in the manner in which the funds are distributed to the States, counties, townships, and cities?

THE PRESIDENT. Well, the program that I recommended for the present law that expires December 31 of this year—I proposed a 5¾-year extension with the same formula. The basic formula is predicated on three main factors: population, the tax factor as far as the local unit of government is concerned, and, thirdly, the number of disadvantaged people in a particular area. That is the current formula that was agreed to by the Governors, by the mayors, and the county officials.

Now, in recommending the extension which calls for roughly $6 billion a year from the Federal Treasury to the States and local units of government, I recommended a growth factor of $150 million per year. This, I thought, would take into account some of the expansion that was needed with more population, et cetera.

Now, the Congress has been very dilatory in not acting on this proposal for an extension. I recommended the extension almost a year ago, and until yesterday there had been no action in either the House or the Senate. The House Committee on Government Operations yesterday proposed an extension, but they eliminated the growth factor that I recommended, and they cut it to, I think, 3¾ years instead of the 5¾ years. I hope that the full Committee on Government Operations and the Congress as a whole will buy the full extension and incorporate the growth factor, because I think it is right. I think it is a good program, and we can see evidence of the benefits all over the country.

U.S. SALES TO EGYPT AND ASSISTANCE TO ISRAEL

[2.] Q. Mr. President, my question deals with the Middle East. I would like to know if you can explain for me how in the current edition of Newsweek magazine, Donald Rumsfeld said that the United States would ultimately supply Egypt with guns and other things and that Secretary of State Kissinger agreed with him and says it is in our best interest.

THE PRESIDENT. Well, first let me make an affirmative statement. The only request from the executive branch to the Congress is for six C–130 transport aircraft. Nothing else has been requested of the executive branch to the Congress. What happens in the future, after the C–130, hasn't been decided. So, the issue is six C–130's at a cost of $39 million. Now, the question is legitimate to ask, why are we selling for cash six C–130 transports to Egypt? Let me explain the background.

For a number of years—primarily under Nasser, but originally under Sadat—Egypt had an almost entire dependence on the Soviet Union. In the last several years, through our diplomatic initiative, the Government of Egypt has turned

away from the Soviet Union and turned to the United States. That is 50 million people, the largest population in the Middle East.

I think it is to the advantage of the United States to have Egypt turn away from their former friends and become friends of ours. So, I think we should encourage—we should give as much as we possibly can economically and in a responsible way, militarily, to Egypt.

Now, I think we have to put this in proper perspective as well. This administration, as other administrations in the United States, Democratic as well as Republican, have been committed to the security and the survival of the Government of Israel. We will maintain that commitment. And to show the good faith of our effort in this fiscal year and next fiscal year, the United States Government—I have asked the Congress to approve $3,500 million in military hardware for the Government of Israel.

Now, compare that, if you will, to put things in proper perspective—$3,500 million against $39 million. Now, we want to do both. I think it is the right move to help turn the Middle East to a place of peace rather than a place of war, and this is our total objective. The Sinai agreement was a major step forward, and if we do it right, working with Israel as well as Egypt and others, I think we can expect a responsible, constructive, permanent solution to those volatile, complicated difficulties of long, long standing in the Middle East.

MINIMUM GROSS WEIGHT OF LIGHT TRUCKS

[3.] Q. Mr. Ford, what do you think of the EPA's proposal to raise the gross standard of light trucks to about 8,500 pounds? That would put them in the same category with car exhausts, and they would need catalytic converters. What the manufacturers have done with vehicles, the ones that were under 6,000 pounds, which is the one that is currently——

THE PRESIDENT. Would you repeat that, please? I am not sure that I—[*laughter*]——

Q. What I am trying to get at is, what do you think of the EPA's proposal to raise the minimum gross weight from 6,000 to 8,500 pounds on light trucks? If this is done, that will put them in the same category with car pollutants; it will require catalytic converters.

THE PRESIDENT. I must confess that I am not intimately familiar with all the prospective or inexistent regulations of EPA. I know that the Environmental Protection Agency in the past has tried to push, perhaps, too far in some of their regulations. I believe that they have become more realistic in recent months, but I can't give you an honest answer to that because I am just not sufficiently

familiar to discuss it in any depth. If you will write out the question, give me your name and address, we will find the answer for you.

BUDGET DEFICITS

[4.] Q. Mr. President, my question: You stated that you would hope for a balanced Federal budget in 1979. When you came into office, you said that you were going for only a $60 billion deficit; now it stands at $80 billion. Could you please tell me what your plans are to reduce that deficit to a zeroing out by 1979? Thank you.

THE PRESIDENT. When I submitted the budget for fiscal year 1976, which was submitted in January of 1975, we had not yet been able to forecast with any precision the depth of the recession that we expected. And when the budget was submitted in January of 1979 [1975] for the fiscal year that began July 1, 1975, and ends June 30 of 1976, we anticipated that the deficit would be in the magnitude of approximately $60 billion.

Unfortunately, the recession was much more severe than any of the economists or any of the experts anticipated, and the net result was we received less revenue than we anticipated, and we had a far greater payout in unemployment compensation.

As I recollect, when we submitted this year's fiscal year budget, we anticipated that unemployment compensation would range in the magnitude of about $6 billion. Because of the depth of the depression—many more people unemployed and many people unemployed longer—the unemployment compensation went from about $6 billion to approximately $19 billion. And between less revenue and more unemployment compensation, the net result was, instead of a $60 billion deficit, we are going to have a deficit of approximately $74 billion, not $80 billion.

Now that is too high; even $60 billion was too high. But when you consider the fact that we had the worst recession or the worst economic time since the depression, we were lucky not to do worse. In fact, some of the doomsday sayers predicted that we would not have a $60 billion deficit but a $100 billion deficit. You remember those figures. They didn't materialize.

Now, where do we stand for this coming fiscal year? I have recommended a budget with an expenditure figure of $394.2 billion with an anticipated deficit of $43 billion. Now, if the Congress will hold the figure of $394.2 billion and not go beyond it—they are already forecasting that it will go beyond it—but if they will hold the line with me with improving economic circumstances this year rather than conditions that got worse last year, we can reduce that $43 billion

anticipated deficit. But for the next fiscal year, as we project it out, we anticipate on the basis of economic conditions that we believe would be in existence in fiscal year '78—and bear in mind we are forecasting in December of 1975 and January of 1976—we would have a deficit, as I recall, of about $19 billion. And then the following fiscal year, which is fiscal year 1979, we would have a balanced budget. That is what is reflected in the budget that I submitted in January to the Congress of the United States. With the Congress holding the line, and I hope they will, and with improved economic conditions, we can do even better.

RELATIONS WITH THE SOVIET UNION AND THE PEOPLE'S REPUBLIC OF CHINA

[5.] Q. I would like to know why the détente with the Russians is alienating the Chinese?

THE PRESIDENT. Would you repeat that again, please?

Q. The détente with the Russians seems to be alienating the Chinese because——

THE PRESIDENT. Well, our policies with the Soviet Union on the one hand, and the People's Republic of China on the other, are predicated on what is good for the United States, not what is good in our relations with one country or with another country.

Our whole foreign policy is based on what is good for America. That is the basis of it. We deal with the Soviet Union on the one hand, and we deal with the People's Republic of China and any other friends or adversaries on the basis of what is good for our country. And we don't play one against the other, whether it is the People's Republic or it is the U.S.S.R.

We are seeking to improve, to move to normalize our relations with the People's Republic of China. And when I visited Peking in December of last year, I had extensive talks with Chairman Mao and others. And I can assure you that in many areas the United States has a total agreement with the People's Republic of China; in other areas we have vast differences. We don't agree with their political philosophy, their economic system. We totally reject it, but we can have an identity of interest in some areas with them.

On the other hand, we can have an identity of interest with the Soviet Union in certain areas, and we can totally disagree with them as we did in the case of their aggression and adventurism in Angola. When we agree, that does not mean that we agree with the philosophy or the ideology of the Soviet Union; we totally reject it. But in the world context, the United States has to deal on a day-to-day basis in a realistic way in trying to do what is best for ourselves primarily, our allies, and in order to maintain a world in which we can have

peace and security simultaneously. And that is how our day-to-day operations of foreign policy operate. It is not favoring one against the other or vice versa. It is pragmatic; it is practical to protect our ideology and those deep beliefs that we have in freedom, liberty, and individual opportunity.

ABORTION

[6.] Q. You stated in Champaign on Saturday, that you personally felt that the Supreme Court decision on abortion went too far. I am wondering how far do you feel it should have gone?

THE PRESIDENT. Well, let me give you the whole answer for the benefit of those who were not there.

In my opinion, the Supreme Court decision did go too far. It, in effect, permitted what can be categorized as abortion on demand. On the other hand, the proposals that are made by some for a constitutional amendment, I think, are far too restrictive.

My own view, and this is a view that I hold very deeply, is that the question of where we should go or how we should handle it is a deep moral issue. And I don't believe that you should have ironclad decisions by a Supreme Court or an ironclad constitutional amendment on the other side. It is my feeling when these deep moral issues are involved, that you shouldn't be rigid in what is sought to be done by either the courts on the one hand, or the Constitution on the other.

I think that people who have moral convictions and beliefs can handle the problem of abortion in the right way, and I have faith in people that they will. And I don't think they should be bound on the one hand by a certain decision of a Supreme Court or by a rigid constitutional amendment on the other.

VICE-PRESIDENTIAL RUNNING MATE

[7.] Q. Since your nomination in August seems almost certain—[*laughter*]—who would you consider for Vice President with you in November?

THE PRESIDENT. Well, David, I am delighted to hear your optimism. But I have been in enough political contests and enough athletic competitions to know that you don't win until the final whistle. And we are going to be working at that to make sure that your forecast is accurate.

But to answer the substantive question, I have said, and I am delighted to repeat, we have a wealth of fine Republican potential candidates for Vice President. We have some outstanding Governors. We have some outstanding Members of the Congress. We have some other people who have held public office or

who have been involved in public service. So, we have a wide variety of outstanding talent from which we can pick.

I could go through the list, but a number of them would be outstanding running mates and would make outstanding Vice Presidents. And I don't have any worry that we can have a first-class person on the ticket, I hope with me, running after that convention in Kansas City.

SOCIAL SECURITY SYSTEM

[8.] Q. Good evening, Mr. President. I have so many questions, I don't know where to start, but I suppose I will start with the one that I think affects me mostly.

As a young working girl of 23, I am starting to look ahead, even now, 40 years to my retirement, which I think is what any good counsel would advise. And I am starting to look at what percentage of my salary I am putting now into social security and what percentage of it I am putting into taxes, and I am thinking that 40 years from now—social security is in bad shape now—what am I to expect? And what am I going to work for for the next 40 years?

THE PRESIDENT. I think you raised a very legitimate question, but I think there are some very good answers to it.

In the first place, I hope you understand that social security is just not for retirement when you reach 62. A good many people don't realize that if you are married and have children, that if you should pass away at 35, they get very substantial benefits right then for a substantial period of time.

If you should become disabled—and I hope that never happens—but if you should become disabled at the age of 25, you would have disability payments for the rest of your life.

So, there are many, many additional benefits over and above just what you will get when you are 62 or whenever you retire. That is one reason why social security payments are as high as they are, because there are broad-gaged benefits that are not known by, or not used by the mass of people who are covered by social security.

Now, to get to the other question. Is there going to be a Social Security Trust Fund available to pay you when you do retire? That is a very legitimate question, because at the present time we have about a $43 billion trust fund. At the present time, this calendar year or fiscal year, the deficit of income and outgo is $3 billion; next year the projection is it will be $3½ billion, and the next year it will be over $4 billion.

In a relatively short period of time, that $43 billion trust fund will be zero unless we in government have the courage to step up to the issue and do one of several things to make it solid and financially sound.

I felt that we couldn't bypass the issue with the situation deteriorating, so I recommended to the Congress that they increase the payments by the employer and the employee by six-tenths of 1 percent, which would be less than a dollar a week for the person with the highest payment. That would come to $49 a year. That would be the one who pays the most. That is the increase. Now, that would make the fund solvent.

The Congress apparently isn't going to face up to the issue. I think that is deplorable; it cannot be justified, because it will make it more difficult a year from now. But I understand it is an election year, and I just think it is bad, but we have to deal with reality. We've got to face the issue. And either you make it financially sound by additional taxes, or you reduce benefits, or you end up taking what the deficit is out of the general fund and I am totally opposed to that solution.

NATIONAL DEFENSE

[9.] Q. I think that we should get some power in more countries, because if we don't, the Communists are just going to take over the rest of the world, and they are going to attack on us.

THE PRESIDENT. Could you repeat that again, please?

Q. I think we should get more power in other countries, because if we don't, the Communists are going to take over the world and going to attack on us.

THE PRESIDENT. I think that your concern is a very legitimate one. This country has to be strong enough internally and domestically with our economy and with our will, and we have to have sufficient military capability to protect us externally. If we don't have the wherewithal internally and externally and the will to defend freedom, what you are saying will take place. But I happen to be an optimist that your father and your father's friends and a lot of other Americans all over this country will defend freedom, will be willing to support an adequate defense budget to make America strong, so that we can handle the problem of Soviet and any other aggression by Communists, and we will make it a safe country for you, young lady.

PARDON OF FORMER PRESIDENT NIXON

[10.] Q. Mr. President, maybe this isn't a good question to bring up at a political rally for you, sir, but it is an issue that I think affects everyone and that touched the country for a long time, and this is Watergate. I would like

to ask you, sir, and I am sure many of the reporters have asked you before, if our country is based on justice and on the laws that make up that justice and our courtrooms and all our public facilities are here to protect that justice and you, sir, are there to protect that justice, why you would pardon Mr. Nixon for something that we are not sure that he has done? You pardoned him for all crimes that he may have committed or that he did commit. And I am wondering why you would want, in such an open administration, to keep us so in the dark?

THE PRESIDENT. I was sworn in as President in August of 1974, and for the first month of that administration, the country was continuously divided as it had been for the previous 18 months. And it was perfectly obvious to me, that with the economic problems that we had and the challenges we still had in Southeast Asia, that we had to get that unfortunate incident or circumstance in our country off the deck and concentrate on building our economy and protecting America. And so, I made the conscious decision, that for the good of the country—not for Mr. Nixon's good, but for the good of the country—the best way to do it was to handle it the way I did, and I am glad that I did.

Before I did it, I checked with the responsible people, the Special Prosecutor, and I was led to believe that there would be continuous charges, potential if not real criminal charges, and this whole problem would have gone on for a long, long time, and our country would have become more divided. And the basis upon which the decision was made then, was to bring back some unity in this country and to get that long nightmare off our back, which I think it has.

PRESIDENT FORD'S GOALS FOR THE COUNTRY

[11.] Q. I would like to know if you do become President, what is your major goal you will try to reach while you are in office?

THE PRESIDENT. Could you repeat that again, please? Speak into the microphone, if you would.

Q. While you are in office, what is the major goal you are going to try to reach?

THE PRESIDENT. Well, I think you have to put it on two grounds: one, what we want to do materially for the country and what we have as our long-range goal and objective.

From the material point of view, we want a prosperous, healthy economy so that people have an opportunity to be gainfully employed, to work and to enjoy themselves. And we want a country that is strong enough to protect

freedom here and to work with those who want freedom elsewhere. But the long-range goal of this country ought to be—this is the vision or the dream that I think we ought to have for you and those your age—we want freedom, freedom from mass government, freedom from mass education, freedom from mass industry and mass labor.

We want individuals to have that great opportunity, the freedom that was enjoyed by our forefathers more than 200 years ago. That is what we want for you and those like you when you are the age of many of the people in this auditorium or this gymnasium. That is the long-range goal, and I think we are making some headway toward it.

Q. Mr. President, I would like to present my thanks, on behalf of this school and everyone in it and the entire neighborhood, for you being here and explaining the policies that have illuminated a lot of people who may have been in the dark about these kinds of things. It will enable us to vote in a much more intelligent manner, so I am highly appreciative of the fact that you came here, not just the fact that you are high in principle.

THE PRESIDENT. I would like to thank again the administration of Buffalo Grove and the wonderful students and the fine faculty, and I would especially like to thank the people who came who are not connected with the school system and to offer a special compliment and congratulations to the young people and others who have asked such fine questions. It has been a great inspiration and a wonderful opportunity to be here in Buffalo Grove.

Thank you very, very much.

[*At this point, the President left the gymnasium and continued the question-and-answer session in the fieldhouse where the overflow crowd had assembled.*]

THE PRESIDENT. What a wonderful, wonderful group to be so patient and to just listen. I can't thank you enough for coming and waiting to hear me say an extra word or two.

I am just impressed, as I said in there, with the fine facilities you have here at Buffalo Grove, the wonderful students, and all the fine administration, including the faculty.

I will tell you, I will make a deal with you. Now be quiet. We will take four questions. Now wait a minute. They have to be from somebody that is close enough so I can hear it. Now wait a minute. We will take two over here, and we will take two over there. Now wait a minute. That young man with a good loud voice back over there. Go ahead.

BETTY FORD

[12.] Q. [*Inaudible*]

THE PRESIDENT. You will have to speak louder. You were yelling louder than you speak. [*Laughter*]

Q. [*Inaudible*]

THE PRESIDENT. Well, my wife, Betty, was out at the Lambs, in fact, she was there today. And Congressman McClory was there. And as I understand it, Betty was there 2½ hours and spent a great deal of time, I assume, with the students, the young people who were there. And I can't understand why she couldn't speak to the faculty or the members of the teaching group. But that wasn't a decision made by Betty. That was a decision made by somebody else, if it is true. And I just can't imagine that if she was there for 2½ hours, she didn't have a chance to talk to some of the teachers.

Well, here is Bob McClory. Let Bob answer it. Well, Bob tells me that she spoke to the teachers, spoke to everybody.

SCHOOL BUSING

[13.] Q. I heard your remarks in there about trying to restore freedom back to the American people, and I think that is probably the most important thing. However, I know that right now, at this very minute, there are people back in Washington who are determining what type of car I will be able to buy and determining whether my children will be able to attend this school that I am paying for or whether they will have to attend some school not of my choice, who are also attempting to dictate what type of home I will live in or where this home will be located. Despite your wonderful goal, I am wondering what you are trying to do in terms of trying to accomplish that in light of what I have just told you?

THE PRESIDENT. Well, the gentleman has questioned whether we have at the present time in the Federal Government the kind of freedom that I understand he would prefer, which would be the freedom to send his children to the schools of his choice, the freedom to buy the car that he would like, and one other, I don't recall.

Well, I think the objectives of what he has indicated are what I would like. I don't agree with court-ordered, forced busing to achieve racial balance, period.

But under our system, the Supreme Court is a coequal branch of the Federal Government, and the President can't call up the Chief Justice and say, you de-

cide it the way I want it decided. That is not the way our Government works. We can try to find a better answer than the answers that have been given in Boston or some of the other communities, but you don't do these things overnight. They weren't done over 200 years. We have to work at them. I have to work with you, and you have to work with me, with 215 million other people.

REPUBLICAN PRESIDENTIAL CANDIDATE

[14.] Q. If for some reason Ronald Reagan got the nomination, would you support him?

THE PRESIDENT. I don't deal in speculation; I deal in reality. I firmly believe we are going to get the nomination, and so I deal in the facts of life. I have always supported the Republican candidate, but in this case, I think I am going to be the nominee.

Is there a young lady? There is one right there.

AID TO EDUCATION

[15.] Q. In the last several months, there has been a 10-percent cut in State scholarships. I would like to know if there is anything you are going to do about it or can do about it?

THE PRESIDENT. Well, since it is a State matter, as I understand it, there is nothing that we in the Federal Government can do about it. It is a matter that involves your Governor and your State legislature in Springfield, so there is nothing that we in the Federal Government can do about it, except for those Federal programs where we have student loans, student grants. And in those areas of student grants, we have increased what they call basic opportunity grants. But that is not a State program, that is a Federal program. Your State programs—you should talk to your Governor and talk to your State legislature.

One more question.

ENERGY INDEPENDENCE

[16.] Q. Whatever happened to energy independence?

THE PRESIDENT. That is a good question. A year ago in January, I submitted a 13-point program to the Congress of the United States that would stimulate domestic production and bring about conservation. After 1 year, Congress has passed 4 of the 13 proposals that I recommended. It is a pretty dismal record. And even one of the proposals that they submitted to me was of marginal benefit. I hope that the Congress will get off of its dead center and do something in this area, so we can have energy independence.

Thank you all very, very much.

NOTE: The President spoke at 8:20 p.m. in the gymnasium at Buffalo Grove High School. In his opening remarks, he referred to Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee, Mayors Edward Fabish of Buffalo Grove and James Ryan of Arlington Heights, and Dr. Clarence M. Miller, principal of Buffalo Grove High School.

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Remarks at a President Ford Committee Reception in Chicago. *March 13, 1976*

FRANKLY, I am just overwhelmed to get this many wonderful people down at, what is it, 8 o'clock on a Saturday morning. I can't express deeply enough my appreciation for all of you, not only what you have done, the fact that you are here, but what you're going to do between now and next Tuesday. And after we win there, what you will do between now and next November 2, when we are darn sure going to win.

I can't really claim any credit. I saw some wonderful signs—"I am for Betty's husband for President." I saw a couple of other signs—"I am for Jack's Dad for President." Pretty soon it will come down to what I have done. But I am proud of them, and when we get the rest of the family moving, we're bound to prevail. [*Laughter*]

I thought it might be very helpful for all of you to have me give you a quick rundown, an assessment of what's happened, how we're doing, where we're going. I think earlier this year it was fairly well recognized that we were not moving as rapidly as some had hoped.

When we came to New Hampshire there were many who were skeptical and were saying that we weren't going to win. We did win in New Hampshire. I might say parenthetically at this point, I made a very conscious decision that we were going to enter every one of the 31 Presidential primaries. I wanted to disabuse once and for all that we could be a national candidate. So, we entered New Hampshire, we won; we entered Vermont, we entered Massachusetts, and we won, and won very, very well. We went to Florida, and despite the forecast, the predictions that we were going to lose 2 to 1, we ended up with a good win.

Now, we are at the next battleground—Illinois. I think we are going to win in Illinois. Let me assess why I think we are going to win in Illinois. Number one, we have an outstanding organization and the attendance of this wonderful group this morning here proves it. And I thank each and every one of you here

and the ones who are working in the 102 counties—is that right, Dick [1]—101 counties in the great State of Illinois. We are going to win, and win well in the State of Illinois.

I think that win will help to convince some people—because the record will be clear that we will not have lost an election outside of the State of Michigan. But I am most grateful to Dick Ogilvie, and I am very indebted to the congressional delegation. I am unbelievably thankful to all of you who have done so much and who will do so much.

Let me assess the other 29 States. We have done very well in those convention States—Iowa, Washington, Hawaii. We have done very well in some of the other areas where there are the beginnings of convention processes. So, our momentum is moving because of the people, the organization. We are moving also because I happen to think we have some good policies, both at home and abroad, I don't have to repeat to you, you have all read the literature. We are making significant headway at home in meeting the problems of the economy. We are making, I think, the right moves internationally to maintain the leadership of the United States, first with our allies and secondly with our adversaries. We have to be very careful to make sure that what is said in this campaign in the primary doesn't interfere with the capability of a Republican candidate to win in November.

The Republican Party, by all statistics, is a minority party. We have to heal our own wounds. We have to add to our strength as Republicans that vast number of Independents who make the difference between losing in November and winning in November. We have run our campaign, whether it's in Illinois or in any other State, on the basis that we had to talk affirmatively. I have learned in a few political campaigns of the past—and this one, too—that you should not respond in kind to political charges that are made in the heat of a political campaign. You should talk about what you have done, what your record shows, and what you are going to do.

This has led, in my previous experience in politics, to the opportunity for all Republicans to join the winner in the campaign against our major opposition—the Democrats. We are going to try and keep the divisions in the Republican Party to the minimum as long as this campaign goes on. But I can assure you when we are through and win in Kansas City, we want to embrace all Republicans so that we can join together to win the big ballgame in November 1976.

Let me add a footnote to make certain you understand what I mean "winning

[1] Governor Richard B. Ogilvie of Illinois 1969–73, chairman of the Illinois President Ford Committee.

the big game in November." A President of the United States needs a Congress that is understanding and cooperative. We have had our share of difficulties with this present Congress. What we need is a Congress that is significantly different from the one we have at the present time.

So, we have got to get good candidates. We have to support those Republican candidates for the Congress, and it is just as important that we likewise support our candidate for Governor, our candidate for the State legislature, our candidate for local office. And I hope and trust that as we move toward November that each and every one of you will understand, yes, vote for the President, but let's make certain, let's make positive, that we do just as well for our congressional candidates, for our gubernatorial candidates, for our legislative candidates, and for our local candidates. This is a team.

Now, we have the Irish for Ford. We can't lose. [*Laughter*]

Let me close this gathering with all of you from the great State of Illinois—I have Illinois colors on—[*laughter*]—by thanking you again. This has been a great trip on this occasion. It was a wonderful trip last week. If there is anything more you think we can do, let me know.

When we leave here, we head for the next primary—North Carolina. The win here in Illinois will give us the kind of momentum that we got from Florida for Illinois. So, I urge you and I strongly ask you, do everything you possibly can between now and Tuesday so this momentum, this ball rolling will go faster and faster and more successfully.

Thank you very, very much.

NOTE: The President spoke at 7:34 a.m. at the Chicago Airport Marriott Inn.

Prior to his remarks, the President met with Chicago area President Ford Committee senior staff workers. Following his remarks, he attended a reception for Chicago area delegate candidates.

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The President's News Conference of *March 13, 1976*

AT THE outset, I am delighted to be here on the Guilford College campus in sunny North Carolina. We had a few tornadoes yesterday and 19-degree temperature this morning, so it is nice to be here.

I am also somewhat cognizant of the State of North Carolina's interest in basketball. I am an avid reader of the sports page. I just hope that I do as well in

North Carolina as Phil Ford [1] has done for the university and will do in the days ahead.

With that, I will be glad to answer questions. I understand the first one is from Howard Covington.[2]

PRESIDENT FORD COMMITTEE CHAIRMAN HOWARD CALLAWAY

[1.] Q. Good morning, Mr. President. This morning, in reference to a report concerning Mr. Callaway,[3] following the release of that report, Mr. Callaway has told reporters that he would like to say that you have full faith and confidence in him, but that would have to come from you. Would you comment on that, sir?

THE PRESIDENT. Mr. Callaway, this morning, asked that he be temporarily relieved of his responsibilities as campaign chairman for the President Ford Committee. It was at his request and I acceded to it. I have known Bo Callaway for 15 or more years. I knew him before he came to Congress; I knew him in the Congress; I knew him as Secretary of the Army. He has been very helpful and effective as the chairman of the President Ford Committee. I have full faith in Bo Callaway. He is stepping aside until all of the allegations have been answered, and we will wait and see. But on a personal basis, he is a man of integrity.

Q. How long do you expect him to be absent from the campaign?

THE PRESIDENT. I have no way of knowing the precise time.

NORTH CAROLINA GOVERNOR JAMES HOLSHOUSER

[2.] Q. Mr. President, there has been speculation in North Carolina political circles that if you are nominated and elected, Governor Holshouser may be offered a Cabinet appointment. Have you personally considered or discussed such a possibility with him?

THE PRESIDENT. Jim Holshouser is, likewise, a very long and good personal friend of mine. I have known him on the many trips I have taken to North Carolina, when I came down on many occasions to help congressional or other candidates. He has done a superb job as Governor of North Carolina. I certainly would consider him for some high office in the next administration. I would certainly consider him as one of the potential Vice-Presidential candidates. We have a number of outstanding members of the Republican Party in

[1] Basketball player for the University of North Carolina.

[2] President of Covington Diesel, Inc., Greensboro, N.C.

[3] Howard H. (Bo) Callaway, national campaign chairman of the President Ford Committee, was being investigated for allegedly intervening in a decision by Government officials to expand a resort he controls on Federal land in Colorado.

the Congress, as Governors, and certainly Jim Holshouser would be included among them. And with the new administration he would certainly be eligible for an outstanding position in the new administration.

POLITICAL CAMPAIGN CHARGES

[3.] Q. Mr. President, as early as February 6, Ronald Reagan had asked you to take a position on the New River here in North Carolina, and we didn't hear any statements until basically yesterday when it came out. Now, he has been charging that you have used your office for political appointments and also for other political announcements. Doesn't this kind of look like the same sort of thing? So, is his charge more warranted with the New River announcement yesterday?

THE PRESIDENT. Well, I am very delighted that the Secretary of Interior yesterday made the announcement that he had approved the environmental impact statement, which he has now forwarded to the Council on Environmental Quality, which recommends that the New River be included in the Wild and Scenic River Program—some 26.5 miles. It is now before the Council on Environmental Quality.

Secretary Kleppe made the decision totally on his own. He never talked to me about it. I never talked to him about it. The 90-day period, which expired, I think, February 28, gave him the opportunity to examine all of the aspects of it. And he has made the decision 13 days after the deadline, which I think is a reasonable and a responsible period of time.

I have read some of these political allegations about my campaign. Let me answer that very categorically. I have been in 14 political campaigns, including this one. I have also talked affirmatively about my own record, my own campaign, my own promises. I never paid much attention to last-minute political observations or changes. I will run on my own record and not be concerned about these last-minute allegations.

PRESIDENT FORD COMMITTEE CHAIRMAN CALLAWAY

[4.] Q. Mr. President, I would like to return to the question of Mr. Callaway, if we may. You said that you do not know how long he will be away from the campaign. It is not quite clear to some people as to who will determine whether or not there has been a violation, certainly of ethical practices, on the part of Mr. Callaway. Who will make that determination to clear this matter up?

THE PRESIDENT. They will be made by the proper authorities. The proper authorities could include the Department of Defense where Mr. Callaway was when the charges have been made. It could include any one of the other agencies that might have jurisdiction, but that is a decision to be made by those departments in the investigations that they will undertake.

CAMPAIGN CHARGES CONCERNING WATERGATE

[5.] Q. If those investigations are not beneficial to your campaign or to Mr. Callaway, what do you think that will do to your campaign especially with Mr. Reagan saying that you were connected with Watergate and scandal?

THE PRESIDENT. In the first place, I think the best answer to any alleged connection that I have with Watergate is the fact that after my nomination for the Vice-Presidency the House Committee on the Judiciary and the Senate Committee on Rules held extensive hearings, and the volumes of testimony that were taken absolutely cleared me of any charges connected with Watergate, whatsoever. And then when the nomination went to the floor of the House and to the Senate—in the Senate I think I got 90-some votes and 3 were against me. And bear in mind that is a Democratic or was a Democratic-dominated Senate. When the vote went to the House of Representatives, again totally dominated about 2 to 1 by Democrats, 37 House Members voted against me and 375 or 380 voted for me. So, I think I have a pretty good endorsement of Democrats and Republicans in the Congress that cleared me of any allegations whatsoever of any connection with Watergate. So, there is no validity to those allegations whatsoever.

Now, the charges against Mr. Callaway will be properly investigated by the proper authorities. And when the decisions will be made as to those allegations, I can't give you the precise time schedule.

NATIONAL SECURITY WIRETAP INVESTIGATION

[6.] Q. If Secretary of State Kissinger is indicted in the current investigation concerning the possibility of illegal wiretapping concerning Morton Halperin,[4] will you ask him to resign?

THE PRESIDENT. That is a matter of private litigation, and since it is now before the courts, I think it would be totally inappropriate for me to make any comment whatsoever, either as to the issues or as to what I might do following the decision of the court authorities.

Q. Have you thought about that at all?

[4] Former staff member of the National Security Council.

THE PRESIDENT. I have not because I don't think it is appropriate for me to get involved when there is a judicial process underway.

CAMPAIGN TRIPS BY PRESIDENT FORD AND ADMINISTRATION MEMBERS

[7.] Q. Mr. President, we had Rogers Morton here last week in High Point, we are having Mr. Bush [5] tomorrow in Greensboro, we are told by your campaign committee here we will have a number of other Cabinet people here in the next week as well as yourself. With all respect, I would like to ask you who is minding the store?

THE PRESIDENT. Well, this is a Saturday and a lot of people take Saturday off, you know. [*Laughter*] And I am expanding my work schedule so I come down and get better acquainted with all the fine people of North Carolina.

Q. Let's address ourselves to next week then, sir.

THE PRESIDENT. Well, I am going to be back in Washington tonight. I will be working probably tomorrow a good share of the time. And I will be working in Washington because I firmly believe that my principal responsibility is to carry out the responsibilities of being President. I have tried to maintain that posture. I think I have. The campaigning that I have done has been minimal, it has been mainly focused on weekends which is the right thing to do for a President. If I am able to come to North Carolina 1 day next week, I can assure you it will, under no circumstances, interfere with my Presidential responsibilities. That is my prime duty, and I will maintain that.

Q. Well, who is paying for these political trips for these gentlemen?

THE PRESIDENT. The President Ford Committee is paying totally for my political operations. Who are the other people that you indicated were coming here?

Q. I understand next week that you would have three Cabinet members that would be coming to North Carolina to campaign for you.

THE PRESIDENT. Well, if they are coming on a political mission the President Ford Committee will pay for it. If they are coming in their responsibilities as Cabinet officers, they will of course come under the usual circumstances.

PRESIDENT FORD COMMITTEE CHAIRMAN CALLAWAY

[8.] Q. Mr. President, I would like for you, sir, to elaborate on just what are the accusations against Mr. Callaway, what do you know about them, and did you willingly accept his request to step aside or would you have preferred he stayed on?

[5] George Bush, Director of Central Intelligence.

THE PRESIDENT. I acceded to his request which I thought was the proper thing to do. I am not totally familiar with the allegations and since they are now or will be shortly under investigation, I think it would be inappropriate for me to discuss them because I could hear one side without getting the benefit of the others. And, so, until the proper authorities in the executive branch of the Government have heard the allegations and the refutations by Mr. Callaway, I think it is totally inappropriate for me to even discuss the matter as to substance.

Q. Does that include, sir, not commenting on just what Mr. Callaway said to you about the situation?

THE PRESIDENT. Well, Mr. Callaway has said to me that he is fully confident that the net result will be that he will be cleared, and until the charges have been fully investigated, I don't think I should pass judgment on it.

EMPLOYMENT OUTLOOK

[9.] Q. Mr. President, despite recent figures that reflect decreases in inflation and unemployment, millions of Americans are still without jobs and are forced to pay very high prices for goods. In your opinion, what is viewed as an acceptable limit or level of unemployment and inflation?

THE PRESIDENT. I won't be satisfied until every person who wants a job can get a job. That is the acceptable limit as far as I am concerned. I am encouraged by the fact that since March of last year when unemployment was 8.9, that it has been reduced to the level of 7.6.

I am encouraged by the fact that since March of last year we have gained 2,200,000 jobs, that we are up to the level of 86,300,000 jobs, which is the same as an alltime high of gainful employment in the United States. I do say, however, that we have to continue the pressure as we have had to reduce the unemployment. It is unacceptably high now, but the trend is right. And I can assure you that the policies we are following will continue to reduce unemployment, and I am confident of that result.

PRIVATE SECTOR EMPLOYMENT ROLE

[10.] Q. You have stated that the primary concern of yours is forcing private enterprise to bear the brunt rather than Federal funding for jobs. Do you feel that private enterprise will continue to hire unemployed persons rather than look first at the bottom line and maintain their profit level?

THE PRESIDENT. First, five out of six jobs in our economic society are in the private sector, so that is where the greatest potential is. I believe that the private

sector is expanding, and all the indicators prove that. Cars are selling more rapidly, retail sales are up, consumer confidence is increasing very rapidly. So, the opportunity for the private sector to employ more is obviously there, and I am confident they will. And I think they will do it on the basis that it is good for them, it is good for the country. And I am optimistic that the private sector will have greater opportunities in the months ahead to add to their employment rolls and every indication we see confirms that.

EMPLOYMENT OPPORTUNITIES FOR COLLEGE GRADUATES

[11.] Q. Mr. President, on the subject of jobs, college students, particularly, are a little worried about it now because they have been talking about how they are overqualified, the job market is tight, many of them don't get to use their training in skilled jobs because there is a shortage. Now, can you offer tomorrow's graduates any encouragement?

THE PRESIDENT. I think the job opportunities for graduates in 1976 from colleges will be far greater than the job opportunities that existed in June of 1975 because the economy is improving and it will get increasingly that way.

We have about 2 million new jobseekers every year because we have a burgeoning society in population. So, our job is not to be satisfied with 86,300,000 now gainfully employed, but to absorb in the private sector primarily the new college graduates, the new high school graduates.

I believe that as we move ahead—and this is March—by June the job opportunities for college and high school graduates will be infinitely better. The circumstances certainly point that way very optimistically.

Q. Is the government going to be involved in any of this hiring?

THE PRESIDENT. Well, we have of course many job opportunities in the Federal Government. In the civilian side, the Federal Government employs roughly 2,100,000 people. There are always retirements. There are some agencies that will be expanding, there are some that will be contracting. But there will be job opportunities in the Federal Government. And I am certain at the State and local level there likewise will be job opportunities.

REDUCTION IN U.S. ARMED FORCES ON TAIWAN

[12.] Q. Mr. President, evidently, there has been some sort of an agreement between this country and the People's Republic of China under which we are going to withdraw about half our troops from Taiwan this year. My first question is, we have been told after your trip to China and Mr. Kissinger's trip that

there have been no secret deals made, and secondly, after the election, are we going to hear that the other half have been withdrawn?

THE PRESIDENT. Well, first there are no secret deals made. In 1972, when the Shanghai communique was signed, which called for the normalization of relations between the United States and the People's Republic of China, it was agreed that there would be a reduction from the U.S. troop commitment on Taiwan. At that time, there were roughly 10,000 U.S. military personnel stationed on Taiwan. It has been gradually reduced from 1972 to the present level of approximately 3,000. This has come about for a number of reasons. One, the situation in Southeast Asia has changed significantly. The war in Vietnam is over and some of those forces there were related to our operations in Vietnam. Other circumstances have changed in the Pacific area.

We have continued, not secretly, but openly, to reduce from approximately 10,000 down to the present level of 3,000, and those present levels will probably be decreased. I cannot give you the precise number, but whatever we have done in that regard has been told to the Congress. It is on the record. Under no circumstances is it a secret deal. It is a part of what was promised in 1972 and the changed military circumstances in the Pacific area.

Q. Mr. President, is there a long-range plan to withdraw our complete troop commitment from Taiwan and someday scale down our recognition of the Nationalist Government on Taiwan?

THE PRESIDENT. We will continue to have some forces on Taiwan. The exact number has not been determined but there is no final decision as to the precise number or the precise timing.

U.S. MILITARY STRENGTH

[13.] Q. Mr. President, in Illinois you said under no circumstances will we play second fiddle to anybody militarily. Does this mean that you consider that we are not now second when the Soviet Union has 50 percent more Polaris submarines and 60 percent more ICBM's than the United States?

THE PRESIDENT. I categorically say that the United States is second to none militarily now, and if the Congress carries out my military budget for fiscal year 1977, we will continue to be second to none militarily. I think what you have to do is take a look at what we have, which is what our military leaders have told me, and previous Presidents, we need for our national security.

We have far more warheads. We have far better accuracy of our ballistic missiles. We have many, many, many more aircraft of a strategic capability—

B–52's, for example. We are in the process of acquiring the B–1's. If you look at the Navy, yes, the Soviet Union has more ships, but we have far, far more tonnage in capital ships because our naval leaders said that is what we needed for our national security. So, we tailor our national security programs based on what is needed for the United States to protect this country, to deter aggression, and to maintain the peace.

And I think our program is second to none, and it will stay second to none if the Congress approves the budget that I recommended for the next fiscal year, which, incidentally, is the highest peacetime budget in the history of the United States.

U.S. POLICY ON THE PANAMA CANAL

[14.] Q. Mr. President, my question is this: Do you see the United States relinquishing control of the Panama Canal in the next 4 years, and, if so, under what circumstances?

THE PRESIDENT. Three Presidents have been negotiating since 1965 with the Government of Panama to resolve the dispute that arose following the very sad and tragic incident that happened at that time where some 30 people were killed, including, as I recall, approximately 10 Americans. These negotiations have gone on for about 10-plus years. I can assure you of this: The United States, as long as I am President, will do nothing to give up the control of the operations of the canal and will do nothing to give up the military protection of the canal. And that is what the experts in our Government are most concerned about. And whatever is agreed to, if anything, will be submitted openly to the United States Congress for consideration.

PRESIDENT FORD'S CAMPAIGN PLANS

[15.] Q. Mr. President, Governor Holshouser has said that Ronald Reagan's campaign is all but dead, and he has invited other Republicans to get behind your candidacy. My question is this, sir: Would you not prefer that Ronald Reagan remain in the campaign right down to the wire for the amount of publicity it brings to you and your candidacy? [*Laughter*]

THE PRESIDENT. Well, I really should not pass judgment on my opponent's campaign, what he will do or what he has done. I can only assure you that the plans we have—and they have been this from the very beginning when some pessimists were saying, "When are you going to get out?"—our plans from the beginning have been to stay in and to win in Kansas City. And we are going to do that, and I think we will win in November as well.

U.S. FOREIGN POLICY

[16.] Q. Mr. President, Mr. Kissinger this week made some statements critical of some of the other Presidential candidates for the statements they have made concerning your administration's foreign policy. Senator Jackson says this is the first time that he recalls any Secretary of State becoming involved in a political campaign. First, can you say if the White House had prior knowledge of the statements Mr. Kissinger made in his speech, and secondly, do you agree that they are political in nature?

THE PRESIDENT. Over the years, from my own personal knowledge in Presidential campaigns, most candidates, Democratic or Republican, have adopted the attitude that it was in the best interests of the United States not to make foreign policy a political football. I have always adopted that attitude, I think it is the right one. But for the last year, and right up to the present, there have been some political attacks made against foreign policy.

I think that is the wrong approach because we had great success following World War II when there was a true bipartisan foreign policy. I can recall vividly when Senator Arthur Vandenberg worked with President Truman, a Republican and a Democrat, to have a truly bipartisan foreign policy. That was good for the United States. But for about a year now, we have had political sharpshooting from individuals who seek the Presidency, as to foreign policy.

I can simply say this: I think we had a good foreign policy. We are at peace. We have been successful in the Middle East. We have reassured our allies in Western Europe. We have continued to have a proper dialog with the Soviet Union on the one hand, and the People's Republic of China on the other. We are solidifying our foreign relations with countries all over the world. It is an affirmative, constructive policy in the area of foreign affairs, and we are at peace.

And I can assure you that we are going to continue that kind of a foreign policy. When people attack us, when they attack a policy that is successful, I think we have the obligation to speak up frankly, candidly, forthrightly to say that this is a good policy. And I intend to do it, and I see no reason why Secretary Kissinger should not have the option when he is personally attacked, and the policies that he carries out are attacked, because they have been under attack from politicians for the last 12 months.

SECRETARY OF STATE KISSINGER

[17.] Q. Mr. President, you say that you support Mr. Kissinger. Can you say unequivocally that he will be the Secretary of State if you are elected?

THE PRESIDENT. Well, I have answered that question a number of ways all with the same purpose and intent. Secretary Kissinger has done a fine job. I have asked him to stay. He can stay as long as he wants to, as long as I am President, because his policies in my administration, under my direction, have been successful.

RONALD REAGAN'S CAMPAIGN CHARGES

[18.] Q. Earlier, in response to a question about charges from Governor Reagan that you were misusing the powers of your office to your political advantage, you said you paid no attention to last minute political charges. Do you consider the Governor that desperate a candidate?

THE PRESIDENT. Well, I really should not pass judgment on whether he is desperate or not desperate. I have never found that last minute political allegations are ever very helpful—the public understands them. And as a candidate who has always run an affirmative campaign, never getting into those kind of charges, I am just not familiar as to when you do it or don't do it because I have never participated in that. That is a judgment he will have to make and the public in North Carolina will have to make.

EFFECT OF PRESIDENT FORD'S PRIMARY VICTORIES ON RONALD REAGAN

[19.] Q. Sir, one of the judgments he has made in Illinois is that there is word being spread by your people that if he is unsuccessful in the initial primaries, he will no longer be a valid candidate for the Presidency in your party. I wonder how you assess the record so far, primary success—yours. And if you do succeed, as you hope you do, of course, in Illinois, North Carolina, and New York, where does that leave you with reference to Mr. Reagan?

THE PRESIDENT. Let me put it in the context of where I think I will be. We started in New Hampshire behind; we won. We started behind in Florida; we won. We were successful in both Vermont and in Massachusetts. I think these successes have, beyond any doubt whatsoever, disposed of the myth that I could not win out of the State of Michigan. I have never lost an election outside of the State of Michigan in 1976 or any other time, so that myth is gone.

I happen to believe that we will be successful in Illinois on Tuesday. I think we will be successful here in North Carolina. I always assume they will be close but the momentum is going, and the people in the other four States have given us that momentum and they have given it to us because we have good programs. We have run a good campaign. What the impact will be on my opponent, that is for him to decide, not for us to determine.

FEDERAL AID TO HIGHER EDUCATION

[20.] Q. Mr. President, in the event that your administration wins the Presidential election, what kind of social proposals will you consider for improving programs for higher education?

THE PRESIDENT. For higher education?

Q. Yes, sir, beyond the secondary level.

THE PRESIDENT. Well, the programs that we have carried out since I became President and the programs that I think we will carry out in the next 4 years are aimed at giving financial assistance both in grants and loans and work-incentive programs to students.

I believe the student ought to get the aid and assistance. The student is the proper beneficiary. Those programs, I believe, have been successful, and they certainly will be carried out. What programs beyond those for the next 4 years, we will have to wait and see, but we are pushing hard those programs that aid the student. And they have been successful, and I think they will be.

Q. One more question, Mr. President.

THE PRESIDENT. Sure.

FEDERAL GRANT PROGRAMS FOR ELEMENTARY AND SECONDARY SCHOOLS

[21.] Q. You are not speaking on the point on the form of block aids or grants, are you, insofar as you consolidate all of your monetary plans in one form such as you proposed?

THE PRESIDENT. Well, I have proposed a block grant program for elementary and secondary schools, which is, I think, a forward looking step because at the present time we have roughly 27 elementary and secondary categorical grant programs. They really keep the decisionmaking as to lower education in Washington, not at the local or State level.

So, I have recommended to the Congress that we consolidate those 20-plus elementary and secondary school programs into 1 block grant program, and then let the same or more amount of money—in fact, we have recommended more money—the decisionmaking be determined at the State and the local level. I believe that the problems of North Carolina elementary and secondary education are quite different than those may be in Alaska or the ones in Maine may be different than those in Florida. So, they end up with the same or more money but the decision as to how that money from the Federal Government should be spent would be made locally.

I think that makes a lot of sense. I know it cuts down on redtape. I know it would cut down on Federal bureaucracy. And I think it would be good for

education. But we have, at this point, no specific plans for a block grant program as far as higher education is concerned.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you all very much. We can all go watch for a couple of minutes the basketball game.

NOTE: President Ford's twenty-eighth news conference began at 12:02 p.m. in Sternberger Auditorium, Founders Hall at Guilford College, Greensboro, N.C.

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Remarks in Guilford, North Carolina.
March 13, 1976

Thank you very, very much, Governor Jim Holshouser, Congressman Rich Preyer, distinguished mayors, reverend clergy, Director Everhardt, Mr. Froelich, ladies and gentlemen:

It is a very high honor and a very great privilege for me to participate in the anniversary of a memorable battle that typified the deeds that we so proudly celebrate on our National Bicentennial. And let me say parenthetically that all of us who come from the other 48 States are deeply indebted to the heroism and the accomplishments of those who fought in this battle 195 years ago.

It was here on this battlefield that North Carolina's famous Tar Heel spirit inspired the men of many States to stand together against a common foe. The enemy came on with drums beating and feathers in their caps. But the Tar Heels provided the tar; the feathers flew but the tar stuck. Our farmers and frontiersmen dealt your best professional soldiers a blow that led to their ultimate surrender. The North Carolinians posed on the frontline made the difference.

Today, Tar Heel tenacity remains a model for America's tenacity. Tar Heel pride is America's pride. And Tar Heel commonsense and moderation symbolizes the new realism of the United States of America. When I leave here today, I hope that some of your magic tar sticks to my heels.

I congratulate you not only for your State's courage but for your modern North Carolina lifestyle. You combine the very best of the present with the finest values of the past, and you do this in North Carolina with genuine humility. I like the North Carolina approach.

Two hundred years ago the Founding Fathers favored what they called mild government. They believed that you can only achieve mild government if you maintain State and local government so responsive that the National Govern-

ment is limited in scope. They believed in the ability of individuals to govern themselves.

In this Bicentennial Year North Carolina and other States are striving to restore the necessary and effective balance between the States on the one hand and the massive, centralized power of the Federal Government. You know all too well how State and local authority has eroded as the Federal establishment has grown and grown and grown. When your State constitution was adopted, you took great care to preserve the basics of self-government. But power has been drawn away from your State, your county, your city, your town, your farm to an increasingly centralized National Government—always bigger, always more meddlesome, but not always more efficient nor more responsive to local and individual needs.

This process undermines the individual resourcefulness and pride. It threatens our economic prosperity, it dims our vision of a future in which you can control your own life.

I pledged that I would never transfer serious problems from the Federal Government to State governments or to local governments without regard for human needs or fiscal realities. I want to preserve a constructive partnership with North Carolina and the many communities and the many people that live in this great State.

I am likewise determined to cooperate with North Carolina to move the decisionmaking process back to the people here in North Carolina and in the other 49 States. If the Bicentennial is to have any real meaning, we must restore to you on a State and local level a real voice in your own destiny. Should this Bicentennial Year accomplish nothing else, this alone would be a fitting tribute and a fitting triumph.

"What was the Battle of Guilford Courthouse all about?" I asked myself before coming here. Americans dared to challenge the oppression of a distant and unresponsive government that tried to govern without the consent of the governed and to impose taxation without representation. Our struggle for independence, as we read in the pages of history, was really a fight to assert the elementary principle of local control over the fate of local people.

The soldiers who stood here under General Nathaniel Greene did not dribble away their resources in foolish experiments. They made very wise use of their terrain, they made every shot count.

The time has come for a resurgence of the commonsense that made men become heroes on this precise battlefield. To keep the faith with the Americans

who died here, we must strive for responsive self-government that they were willing to sacrifice their lives for and that they sought.

A self-governing republic requires responsible citizens. They must have the traditional virtues of self-discipline, self-reliance, and a patriotic concern for the public good. These qualities must be nurtured and rewarded. They must not be penalized or exploited.

I believe, as you do, in America and the capabilities of all 215 million Americans. North Carolina provides us with a showcase of progress. You have made great breakthroughs in industry, in agriculture, in education, in harmonious rural and urban development in helping all citizens achieve their highest human potential.

Southerners, including Tar Heels, must be doing something right, and I commend you and congratulate you for it. You know it, and I know it. A lot of others must know it, too, as we watch the trend of people moving toward the South rather than away from it. Your region is growing much more rapidly than any other part of the United States. In North Carolina, the rate of high school graduates has increased faster than in most of our States. There are significant increases in students attending your excellent institutions of higher learning. I should say with some pride, but some humility, that two generations of the Ford family have come here to study.

Back in about 1937 I went to the University of North Carolina Law School in Chapel Hill and stayed in Carter Carr Dormitory. I never dared to go back and look at the grades I got, but I am sure some of the press will. [*Laughter*] I also attended the Naval Pre-Flight School at the University of North Carolina for 9 months during World War II, and my oldest son attended and graduated from Wake Forest University. I wish we had a few more that we could spread around. [*Laughter*]

But we all share with you an affinity for the enlightened spirit of your great State. I can say without qualification the patriotism, the dedication, and the willpower of the Thirteen Original States still burns brightly throughout the Old North State.

Two hundred years ago some individual said that it was unwise to make a stand here against the enemy. They said that we lacked adequate experience, that we were short of weapons, and that we would be wiped out, but there were many, many more who said we are North Carolinians, we are Americans, we can do it. They did it, and we can do it.

Our challenge, yours and mine, is to foster new courage and realism at home,

new moderation in the relationship of government to the governed, and new American strength throughout the world.

Together, all of us, in all 50 States, in all walks of life, old and young—we welcome America's third century. Together, we offer optimism to all our fellow countrymen and all of the world. Together, we will build a better America, and we will build a better world.

Thank you very, very much.

NOTE: The President spoke at 1:55 p.m. at the Guilford Courthouse National Military Park. In his opening remarks, he referred to Gary E. Everhardt, Director, National Park Service, Department of the Interior, and J. F. Froelich, director, Guilford County Bicentennial Commission.

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Remarks in Winston-Salem, North Carolina. *March 13, 1976*

Thank you very, very much, Governor Jim Holshouser.

Coming back to Winston-Salem and back to North Carolina is almost like coming back to home for me. Our oldest son graduated from Wake Forest 3 years ago. A long time ago, I went to the University of North Carolina Law School and stayed at Carr Dormitory. There must be a little rivalry there. And then in the early days of World War II, I was stationed at the pre-flight school down at Chapel Hill. And over a period of 20-some years, I have campaigned for candidates for Congress, candidates for the governorship, candidates for the Senators. And so I think I have been the length and the breadth of North Carolina and hopefully, I have a friend or two. And thank you all for coming here.

I do want to thank every one of you for coming here on a Saturday afternoon to express your support, your interest, and with this kind of enthusiasm, we are bound to win a week from Tuesday.

Now, let me give you a little straight talk, because I think you are interested in straight talk. First, I hope you will listen very carefully. Since I took office about 19 months ago, we have given you straight talk. We have not promised more than we can deliver, and we have delivered everything that we promised. And we will keep that commitment in the future. Secondly, I think all of you recognize that for the last 19 months this country has gone through a very difficult time domestically.

When I took office, inflation was up here about 12 percent or more per year. We have cut it in half or more, and we are going to continue to make progress in

the battle against inflation. When I took office some 19 months ago, we were on the brink of the worst economic recession this country has had in 30 years. And very shortly after August of 1974, unemployment started to go up and employment started to go down.

Now, there were some people who said we should make a quick fix, we should put everybody on the government payroll, we ought to bust the budget. I said there is a better answer. Ford's got a better idea. And so we tried to hold the line on Government expenditures against the budget busters. As a result, I vetoed 46 bills in 19 months. That's a record. And we have 39 of them sustained by the Congress, and we saved the taxpayers $13 billion. That's progress.

Because we didn't panic, because we didn't lose our cool, because we had a firm hold on the tiller, we have come out of that recession. And we are on the way up with employment going up and unemployment going down—and it is going down more and more in the months ahead.

But now, let me talk to you for just a moment about the problems we are going to face in the future, and we faced some of them in the past. There are some—I don't challenge their motives, I just think they are dead wrong—who want to expand the Federal Government at the Federal level and who want to take more and more power away from the States and more and more authority away from local communities. I happen to have great faith in Governors like Jim Holshouser, and I believe that we should give more faith and responsibility to your good local officials. There is nothing that sanctifies the wisdom of people in the bureaucracy in Washington, D.C. You have got good people in North Carolina who can make good decisions if we give them the money to do it.

But there are some people who think all answers have to come from Washington, D.C. They want to expand the bureaucracy, they want to put more power in the hands of those people who run things in Washington.

Let me give you a word of warning, and I think this summarizes it as about as cogently as you can. And please listen. We should never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

Now let me say a word about our circumstances as we look around the globe, as we look at our national defense capability. There are some who want to downgrade America, who allege that we are weak, they don't know what they are talking about. And let me say it very firmly—America is strong today, and it is going to stay strong for our national security.

There have been some charges made that we don't have enough of this and enough of that. Let me just be very specific. In strategic capability we have more

warheads, we have better accuracy, we have more strategic aircraft—America is fully capable of meeting any challenge under any circumstances. We can deter aggression, we can keep the peace, and we can handle our problems of national security because America is strong. And let me assure you that under this administration this year and for the next 4 years we are going to stay strong because we have peace. And we are going to keep it because we are strong.

Let me conclude by saying that this is one of the most exciting, one of the most inspirational audiences that I have seen any place in this campaign. The momentum is going. We won in New Hampshire, we won in Vermont, we won in Massachusetts, we won in Florida, we are going to win in Illinois, and we are going to win in North Carolina. And when we get to Kansas City, we are going to win there, and we are going to win November 2.

Thank you very, very much.

NOTE: The President spoke at 4:38 p.m. at Hanes Mall.

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Remarks and a Question-and-Answer Session in Wilkesboro, North Carolina. *March 13, 1976*

THANK YOU very, very much, my very good friend and your very great Governor, Jim Holshouser. Let's give Jim a great round of applause, because he deserves it.

Bill Anderson, Hal Green—and may I say to Hal and to all of you here, we are very grateful and appreciative of the wonderful school you have, the outstanding student body, the great faculty, and all of the wonderful people of Wilkes County that have supported this great institution.

Distinguished guests, ladies and gentlemen, obviously it is a great privilege and a pleasure and a high honor to have the opportunity of being in Wilkes County. And obviously, I think I am among a few friends, and I thank you for it.

I am not going to try and cover all the counties that Jim did, but I understand that—last night, was it, you were in Yadkin County? And let me say to those from Yadkin County, thanks, those of you who are here, and all of the other counties that are present on this great occasion here tonight.

You know, I have a long and a very special relationship with the people of North Carolina. About 38 years ago, I was privileged to attend the University

of North Carolina Law School—down at Carr Dormitory—and for 9 months early in World War II, I was at the Navy pre-flight school at Chapel Hill, and then my oldest son graduated from Wake Forest 3 years ago.

You know, as much as I believe in a strong and prosperous American automobile industry, I am here to say that this year there is absolutely no reason to trade in your Ford on a new model. And let me add, I am proud to say this is one Ford that has even been road-tested by Richard Petty.[1] I am very honored and very happy to say that Richard is a member of the President Ford Steering Committee here in North Carolina, and I am deeply grateful for his support.

As I have gone across the country in recent months, I have enjoyed a number of question-and-answer sessions with people of a great many States. I am anxious to do that tonight with this wonderful audience, but let me make one or two brief comments before we get into the question-and-answer period.

The year 1976 is a vitally important, very critical year for America. It marks a turning point for our country as we enter the last quarter century—last quarter of the 20th century, and begin the third century of America's history of progress. It is good for us sometimes to take stock of where we have been, where we are now, and where we are going as a people and as a nation. America has come a long, long way in the last 200 years. We have grown from a very small, poor, weak, struggling collection of colonies to the greatest nation in the history of the world. And we, all of us, 215 million Americans, can look with pride at our country.

We have come through wars, a depression, droughts, riots, assassinations, scandals—practically everything that fate could throw at us. But we have also enjoyed phenomenal economic, technological, and sociological progress in America. And that progress has made our way of life the envy throughout the globe. Despite all the problems we have had, I don't think any of us would trade places with the people of any other country in the world. I wouldn't, and you wouldn't.

We hear a lot of skeptical and cynical talk these days about America being in a state of decline. That's wrong and you know it and I know it. We hear that America's best days are behind us. That's wrong. I know it and you know it. We hear America is a second-rate power in the world today. That's wrong, and let me hear how you feel about it. It's wrong.

Frankly, I am sick and tired of hearing those who would run down America.

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[1] NASCAR [National Association of Stock Car Racing, Inc.] driver.

I am proud of America, and I am proud to be an American. And I know every one of you are, too.

I believe in this country. I believe in its values, its traditions, its institutions and, more importantly, its people. I believe in America's future. We have the capacity in this country to do just about anything we set our minds to.

America today remains the best hope of peace, the strongest guardian of freedom in the world. And I am pursuing a policy of peace through strength. And I can assure you that America's military capabilities are second to none, and I intend to keep it that way.

But America's strength is measured by more than armaments alone. America today is the greatest agricultural power, the most prolific producer of food and fiber in the world. That is a credit to not only the mass production farmers in the Middle West but also to the small family farmers right here in western North Carolina, and I compliment you for what you do.

I want to see the family farms survive and thrive in America. I want to make it easier for people to pass on their farms, the product of many years of hard work and love and faith, to their sons and to their daughters. I want to make it easier to keep those farms in the family, rather than sacrificing them to the tax collector.

I have proposed two measures to help promote that result. First, I proposed that Congress act to stretch out the estate tax payments, at greatly reduced interest rates, over a 25-year period. And, second, I have proposed an increase in the estate tax exemption from $60,000 to $150,000.

These proposals, if enacted by the Congress, would help not only family farms but family businesses as well. I know that family-owned businesses can use all the help that they can get. A long time ago, I worked in my father's small, family-owned paint and varnish company for a lot of years in the summer, so that I could go to high school and on to college and on to law school. And I know from a personal experience in that family-owned business how tough it is but also how rewarding it is to have a successful family enterprise.

Family-owned businesses, like every other segment of our economy, suffered heavily in the worst recession in 40 years. But thanks to some strong, commonsense policies I initiated at the outset of the recession, and thanks to the determination and to the courage of the American people, we are working our way out of that economic difficulty. With one favorable indicator after another pointing the way, we are on the road to recovery and prosperity in America, and we are picking up speed every day.

Even with the severe setbacks we suffered recently, today America is still the strongest and the finest nation in the history of the world. I have never

lost faith in the system of private enterprise and personal initiative which earned that wealth in the first place and gave us the highest standard of living in the world. I will do all that I can to see that government regulations and redtape do not enslave free enterprise and personal freedom in America.

The heavy hand of government has found its way in far, far too many areas of our national life. If there is one thing we must never lose sight of—that a government big enough to give us everything we want, is a government big enough to take from us everything we have.

We have the best system of government in the world. It is a system laid out with great care and paid for at great, great price by patriots yearning for freedom. It is a system that can be a powerful instrument of progress and an enduring source of strength and security, but it must always be the servant and never the master of the American people.

We want the freedom to choose our own course and our own lives, to chart our own future on our own terms, without having the government tell us everything we can and cannot do. The elections of 1976 will play an important role in deciding what course we chart for America's future.

The future, as I see it, is one which finds Americans living in dignity and security and harmony and in peace. I see people taking pride in their work and finding pleasure and purpose and prosperity in their lives. I see an America which cherishes the old values of compassion and determination and courage. I see an America which continues to stand tall and strong and free among the nations of the world. I see an America which rises to its challenges, fulfills its responsibilities, and takes advantage of its opportunities for progress in every field of endeavor. These are my goals, and this is why I am asking for your support in the challenging years ahead.

I thank you, and now I would be delighted to answer your questions.

Questions

SECRETARY OF STATE KISSINGER

[1.] Q. Mr. President, I am from Boone, North Carolina, the town that is the hometown of the best Governor North Carolina has ever known, Jimmy Holshouser.

The President. That is an easy question to answer. [*Laughter*]

Q. This is the first time I have ever had the opportunity to say this. I would

like to say, also, that I look forward to the coming years, the coming 4 years, to your leadership with excitement.

THE PRESIDENT. Thank you.

Q. My question is this: I think Secretary of State Henry Kissinger is one of the most intelligent, probably one of the most diplomatic Secretaries of State that this country has ever had. When you are elected in November, do you plan to keep him on as Secretary of State? Thank you.

THE PRESIDENT. I have asked the Secretary of State to stay on in that capacity as long as he will, and I hope it is a long, long, long time.

But let me tell everybody in this wonderful audience why. Secretary of State Kissinger, working with me at my direction has done some of the outstanding diplomatic work on behalf of the United States and world peace, I think, of any Secretary of State in the history of the United States.

He has had the confidence of the Government of Israel, the Government of Egypt, and many other Arab nations and, as a result, we have made significant progress in the Middle East with the Sinai Agreement, which was signed in September. That is the most controversial, volatile area of the world, and if we don't continue to have peace in that area of the world, we will have another oil embargo; there will be another war. This is a diplomatic achievement, one of the greatest in the history of American diplomacy.

But you could go down a long list of things that have been accomplished while Secretary Kissinger has been Secretary of State and as an assistant to the President. We are fortunate. We have a good foreign policy. It has got us at peace, and it will keep us at peace, and we are very lucky to have that Secretary of State.

NUCLEAR POWERPLANTS

[2.] Q. Mr. President, I am from Wake Forest, and I only missed you in Winston today so I could hear you in my hometown.

I want to know, since you mentioned oil and energy a minute ago, about the nuclear reactors with the problems of the danger and the storing of nuclear wastes, if you are in favor of building more nuclear reactors or pursuing a cheaper—or maybe not cheaper, but safer way of producing energy for this country?

THE PRESIDENT. We have about 50 operating nuclear powerplants at the present time. If we are going to become less and less dependent on Arab or Middle East oil, we have to, in the next 10 years, develop a total of about 250 nuclear powerplants throughout the country. There have been some questions raised

about the security, the safety, and the reliability of nuclear powerplants, but let me say, there hasn't been a single person injured by any lack of safety in nuclear powerplants in the history of the United States.

We are, however, very cognizant of the concern and the worry that some people have. And therefore, in the budgets that I have submitted to the Congress for the Energy Research and Development Agency [Administration], we are spending a great deal of extra money to make certain that our nuclear powerplants are safe, reliable, and the kind that will operate for the benefit of this country. I am convinced that our Nuclear Regulatory Agency [Commission], our Energy Research and Development Agency, are doing everything possible to increase the safety—even though it is excellent today—and to increase the reliability of those present and future nuclear powerplants.

Q. Mr. President, I wasn't questioning—in fact, I think that nuclear reactors are very safe, and I am not worried at all about like blowing up or anything like that. But my question more is, with the increasing number of nuclear plants, where are we going to put the waste that has to be stored for many years before it is not dangerous anymore?

THE PRESIDENT. The question of what we do with nuclear waste is a matter of major concern to me and to the experts in this field. There have been a number of proposals made for the disposal of nuclear wastes. We tried several years ago to deposit them in the salt mines, or the abandoned salt mines out in the State of Kansas. Some questions were raised, and that proposal has been abandoned.

There are other proposals that are in the mill. No specific recommendation has come to me for the particular plan, but the experts are working on it, and I am certain they will find an answer. And when they make a recommendation, I will propose it, and I think it will be the way in which we ought to handle the problem. We are cognizant of the difficulty; we are going to have a solution.

THE PRESIDENT'S RELIGIOUS COMMITMENT

[3.] Q. Mr. President, I am a Baptist minister and my question is this, sir: Why is it that we haven't had a President in the White House since Herbert Hoover that has mentioned Jesus Christ's name publicly?

THE PRESIDENT. Mrs. Ford and—my oldest son, Mike, is studying the ministry up at Gordon Conwell Seminary in Massachusetts. He has taken a commitment and so have I, and I am proud of him, and I am proud of our commitment.

GENERAL REVENUE SHARING

[4.] Q. Mr. President, the municipal authorities of North Carolina are very much interested in a continuation of the revenue sharing program. Do you look

with favor on the continuation of revenue sharing and the possible expansion of that program?

THE PRESIDENT. The answer is categorically yes. And almost a year ago, I recommended to the Congress a 5¾-year extension of the present revenue sharing legislation, which now expires December 31, 1976. I don't understand why the Congress has done nothing, because this is a program that gives to the States and to the local communities, cities, townships, counties, about $6 billion a year. I don't recall offhand the total amount that comes to North Carolina and all of the communities in the State, but it is substantial. And that amount of money has contributed extremely significantly to the local projects and policies and programs that you can do in Wilkes County and Yadkin County and Alleghany County and all of the others, and it has added measurably to the things that the State of North Carolina can do.

And let me say that this is one Federal program that is the cheapest to administer. I told you a minute ago that about $6 billion is turned back to Governors and to mayors and county and township officials. You know what the cost is? One-twelfth of 1 percent. The money goes back to local units of government, to Governors, to the State legislators, so that they can do things on the behalf of the people of a community or of a State. And I hope and trust that the Congress wakes up—they have been pretty sleepy—about doing what they should do on this program. We are pushing them, and we are going to get some action. And if they don't act, I hope all of you will look them in the eye next November.

Q. Mr. President, we are going to try to help you get a Congress that you can work with.

THE PRESIDENT. Thank you.

ACCESS ROADS ON FEDERAL PROPERTY

[5.] Q. Mr. President, during World War II, I spent 15 months on the frontlines. Should the Government forbid me to go to my home and not have a way in and out to my summer home?

THE PRESIDENT. Would you repeat that again?

Q. I have a summer home on the Blue Ridge Parkway, and the Federal Government denies me the right to go through their property to my home.

THE PRESIDENT. Well, I must confess that I don't understand all the details of just what the problem is—the roadblock or impediment might be—but let me assure you that we will take a good look at it and find why they won't let you get from the main highway to the property that you own.

I don't want to kid you. I can't give you a pat answer tonight, and I don't believe in kidding anybody. I believe in straight talk, so we will find out what the answer is. If you will give your name and address, we will find out what the story is.

Q. Sir, I sent you a letter to that effect, one of your men has it. And other people are doing this, so I think I should be able to. Thank you.

THE PRESIDENT. Well, we will find out.

FEDERAL SPENDING

[6.] Q. One more question, Mr. President. When you are elected President in November, which we are sure you will be, will you look toward balancing the budget and reducing deficit spending to the best of your ability?

THE PRESIDENT. The answer is completely, totally, unequivocally yes.

But let me tell you how. That is the main question. I submitted to the Congress a budget for the next fiscal year that—if we hold the lid on spending—it is a budget that reduces the growth in Federal spending from 11 percent, which has been the case, to 5½ percent. The expected growth in Federal spending for the next fiscal year was some $15-plus billion. I decided that the growth in Federal spending ought to be cut in half, and so I recommended a budget for the next fiscal year of $394 billion.

I regret to say—and this leads to a comment you made earlier, sir—the Congress, or a majority of the Congress is saying it can't be done. They throw up their hands and say we have got to spend more and more. I think it can be done if they will just approve my budget. And if they approve that budget, with the limit on the spending that I proposed, and they do the same in the next year, in the following year we will have a balanced budget, and we can give another Federal tax decrease.

NATIONAL DEFENSE AND SPACE PROGRAMS

[7.] Q. Mr. President, assuming that you are elected in November, do you foresee any heightening of Federal allocations for the national defense program or the space program in order that we could sustain ourselves as number one in the world in these two specific areas?

THE PRESIDENT. The budget that I submitted to the Congress in January, for the first time in 10 to 15 years, shows an increase in the proportion of Federal expenditures for national defense. And I would expect in the years ahead to do the same thing, and let me tell you why. The United States today is second to none, as I said in my prepared remarks, militarily. But for the last 10 or 15

years, the percentage of Federal expenditures for national security has gone down. The expenditures in real dollars for the Army, Navy, Air Force, and Marines has gone down.

At the same time, the expenditures by the Soviet Union for their national security forces have gone up. Our position today is sound. We can deter aggression; we can keep the peace, and we can protect our national security. But if we don't approve the military budget that I submitted for the next fiscal year and the one that I will submit the next year—and all of them will be going up a bit—the national defense of this country could be in jeopardy.

Now, we have to get the Congress this year—instead of cutting national security as they have, instead of cutting the funds for the Army, Navy, Air Force, and Marines as they have been doing for the last 10 years, they have to approve the budget that I recommended this year, next year, and the following years, because we have to maintain our forces ready. They have to be well equipped, they have to be trained, and they have to be led. And that kind of a budget that I submitted will obtain those objectives.

Now, if we turn to the space program, we have the space shuttle, which is going to give us a lot of benefits outside of just exploration in space. The space program we have had has had a great many benefits in agriculture, in weather, in scientific achievements. We will have a good space program. I don't say it is going to increase. I think we can say it will maintain its present momentum and give us the benefits in science, in agriculture, in weather, and all of the other things.

But the main point I want to make is that we have to have adequate funding so we can buy new ships, so we can buy new weapons to protect the national security of America in the future as we have in the past.

U.S. SECURITY AND DEFENSE

[8.] Q. Mr. President, my question has much to do with the same thing that the gentleman just asked about defense. Since our involvement in Vietnam, and it is over with, in case of aggression in another country where our security is involved, you would not let the Vietnamese involvement influence you in any way in protecting our defense?

THE PRESIDENT. I certainly would not. We had many differences in this country over our involvement in Vietnam, but I can assure you the traumatic experience that we went through will have no impact on any decision that I make that would involve the security of the United States.

If I think it is important, it is vital, it is crucial for us to undertake some operation for the security of the United States, it will be done. I can assure you of that. I will look at the facts and make the decision. I think what I did in the case of the *Mayaguez* [1] is a good example of the decisiveness that I can act with when we are faced with a problem. I would do it again.

VIEWS ON THE PRESIDENCY

[9.] Q. Mr. President, how does it feel being a President? [*Laughter*]

THE PRESIDENT. Well, I kind of like the job. [*Laughter*] And I like it better every day. And let me tell you one reason why I do—because I have an opportunity to come to a great place like West Wilkes High School and see so many nice people.

RESPONSIBILITIES OF AMERICAN YOUTH

[10.] Q. Mr. President, this is my question. What are some things that young people can do to assure us of a strong America tomorrow?

THE PRESIDENT. Well, Patricia, I think what you and all the young people can do to make a strong America tomorrow is to be the best students you can in school, to mind your mother and father every day, and to have the faith in this country which I know your mother and father and your neighbors have.

THE PRESIDENT'S VISIT TO WILKES COUNTY

[11.] Q. Mr. President, I would just like to ask you, how do you like Wilkes County?

THE PRESIDENT. I didn't hear that. How do I like Wilkes County? I love it.

CAPITAL PUNISHMENT

[12.] Q. Mr. President, I was wondering, what are your views on capital punishment? Do you believe in it or what?

THE PRESIDENT. I believe in capital punishment for very clearly defined criminal acts. In the Federal Government, I believe there should be capital punishment for espionage, for subversion, for things or acts that are against the national security of the United States. And in addition, I think capital punishment for kidnaping is a legitimate area.

Now, what a State does, of course, is within the jurisdiction of the State legislature, as well as the Governor. But there are certain acts committed against the United States where I think capital punishment is the proper remedy.

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[1] See 1975 volume, Items 256, 257.

THE PRESIDENT'S SECURITY

[13.] Q. Mr. President, I am a student at West. I was wondering, in all your dealings with the public, do you ever live in a constant fear that your life may be taken?

THE PRESIDENT. I never think about it, because in the first place, I have a lot of faith in the American people. I have a great deal of faith and trust in the Secret Service and all of the other people who do a fine job in helping us as we travel around the country. And I just never think about it. There are much more important things to think about.

RETIREMENT BENEFITS

[14.] Q. Mr. President, I am retired from the U.S. Air Force, a Pearl Harbor survivor. What I would like to know, sir, is do you have any program with relation to pay for the retired service people of the United States?

THE PRESIDENT. Well, I recognize the problem that all people who are retired have with the inflationary difficulties that we have had in the country for the last 18—well, the last 3 years, really. We are making headway on that, but with the escalator clauses that we have in military retirement, social security, railroad retirement, and so forth, I think we can honestly say that those who are retired are considered to get an adequate amount for the benefit of their future. And I intend to see that those escalator clauses are maintained.

I believe that as we attack, effectively, inflation, that those who are retired, whether it's military retirement or social security, railroad retirement or government retirement, can feel a security and a sufficiency in their older years. And I will fight to maintain those.

MARIJUANA

[15.] Q. Mr. President, I would like to know how you stand on marijuana. And will you legalize it?

THE PRESIDENT. I do not believe in the decriminalization of marijuana, period. There are many studies that are going on, but I have seen insufficient evidence to change the existing laws which make the sale or use or possession of marijuana a crime.

Thank you very, very much. It has been a privilege and a pleasure to be here. I love you all. It has been a great evening.

NOTE: The President spoke at 6:24 p.m. in the gymnasium at West Wilkes High School. In his opening remarks, he referred to Bill Anderson, sheriff of Wilkes County, and Hal Green, principal of the high school.

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Remarks at the Annual Congressional City Conference of the U.S. Conference of Mayors and National League of Cities. *March 15, 1976*

Thank you very, very much, Moon and Hans and my good friend L. H. Fountain, other Members of Congress, distinguished mayors, ladies and gentlemen:

Obviously, I am very honored by the invitation to speak at this very important conference on general revenue sharing.

We are joined today in a single cause, a cause that is as old as our Republic and as new as today's legislative calendar. The cause of which I speak and to which we are fully committed is the cause of responsible, responsive, and representative government in the United States of America.

Your purpose in coming to Washington, a purpose to which I heartily concur, is to urge the Congress of the United States to do what experience and commonsense in America's most fundamental concept of government demands that it do—it is very simple—extend the proven general revenue sharing program, which expires December 31, 1976.

The Federal Government, like cities that you represent, was chartered by the States. The framers of the Constitution did not intend to create a monolithic, autocratic, omnipotent central government. Instead, they carefully constructed a system in which authority and responsibility and accountability were to be shared by different levels of government, as well as by the three Federal branches of the Government. That system of government established by the Constitutional Convention two centuries ago can be effectively reaffirmed by the 94th Congress this year, and it must do it.

For too long the reins of government in this country have been gathered tighter and tighter in the hands of the Federal Government. For too long, programs of narrow categorical aid multiplied at great and growing expense to the Federal Government, to the Federal budget, and to the American taxpayers.

In 1972 there were over 1,000 of these programs, each in limited scope, restrictive in operation, and equipped with its own bureaucracy, chipping steadily away at the Founding Father's system of shared responsibility and local control. With the enactment of the general revenue sharing program in 1972, the Congress made an important and historic break with this unwise and

unhealthy trend. I was a leader, among many others, in this effort, and I know what the intent of the Congress was then.

In the 4 years since the revenue sharing program began, State and local governments have proved beyond any doubt whatsoever the merit of local control over local concerns, and I congratulate you.

To date, more than $23,500 million in general revenue sharing funds have been returned to the 50 States and some 39,000 local units of government. In fiscal year 1975 alone, more than $7,100 million were well spent on a wide range of vital public services and facilities, and done very well.

Nearly 25 percent of these funds were spent on public safety, almost 22 percent was spent on education, 13 percent on public transportation, more than 7 percent on environmental protection, and about the same percentages on health services. These are programs that help people, and in case after case they are programs you could not have afforded had it not been for general revenue sharing.

When you were put in charge, you proved—as I knew you would—that you know a lot more about what your cities need than the Washington bureaucracy does. That bureaucracy has been held at an absolute minimum in the operation of revenue sharing. Only about twelve-hundredths of 1 percent authorized for general revenue sharing in the past 4 years has been spent in Washington in handling the programs. That is an amazing statistic, and it is a very encouraging sign that bureaucratic overhead need not rob the taxpayer blind nor bind your cities and States in a maze of redtape in order for federally funded programs to succeed.

In thousands of cities and counties, and in all 50 States, revenue sharing has spelled success. If there was ever a program that has earned its keep, revenue sharing is that program.

Last April, I proposed a 5-year 9-month extension of the general revenue sharing program. This proposal represented an increase in funding of almost $1 billion for a total of $39,850 million and called for changes to improve the effectiveness of the program. Eleven months ago I urged the Congress to take prompt action on this proposal. I did not ask the Congress for rubber stamp approval of this important and substantial program. It deserved careful study, but it also deserved immediate attention.

The Congress obviously did not share my sense of urgency. It is becoming increasingly apparent that the Congress fails to understand the importance of this program to the people of the cities and counties and States of our Nation.

After 11 months—I know the pressure that L. H. Fountain has been under—a House subcommittee has begun to mark up a general revenue sharing bill. While I am delighted to see the movement that has taken place, I am concerned with their initial decisions in some instances regarding the level of funding and prospective formula changes.

Behind all of the rhetoric associated with the growing congressional debate over the renewal of this program is a very fundamental issue—whether or not to continue providing cities, counties, and States with effective Federal assistance now authorized by this program. It is just too important to your cities; it is just too important to your States; it is just too important to the United States of America; the general revenue sharing bill must pass clearly this year.

You know that failure to renew this program would weaken the fiscal stability of your cities. You know that expiration of this program or a reduction of the payments you now receive would mean cutbacks in essential services, increased public and related private sector unemployment, or the imposition of more taxes. Maybe this is what some partisans want, but I don't. Let me make very clear on that point.

I deeply share your concern, and I stand firm in my commitment to secure an extension of general revenue sharing, which should no longer be a partisan political issue, and I hope it won't be in the months ahead. If you will work with me we can meet that common commitment, and we can do even more good with revenue sharing in the future.

Now, another legislative matter of urgent importance is the passage of a $1.7 billion supplemental appropriation bill to continue funding of public service jobs under the Comprehensive Education and Employment Training Act. Many of your cities face the imminent prospect of firing thousands of workers because the Congress has not provided the funds that you need to pay them.

I know that many of you wanted more than this $1,700 million program. I know that a $6 billion public works program sounds good, especially if you don't have to borrow the money to pay for it. I respect your position, even while respectfully disagreeing with it.

The Federal Government could not afford that program. Even if it could, it would have taken months to put the program into place. By that time, given the pace and the strength of our current economic recovery, that $6 billion bill would very likely have done more to feed inflation than to fight unemployment.

But one thing is clear. The Congress was prepared to spend $6 billion to initiate a program of dubious value. It should be willing to spend $1,700 million to continue the CETA program for public service jobs already underway.

I do promise you to do all that I can to secure the passage of this bill and to get you the money you need to operate this program.

Another program of proven value to your cities is the community development block grant program we began last year. Success stories abound, and let me cite several examples.

In Muskegon, Michigan, the city combined community development funds with local funds to finally complete a downtown urban renewal project that had been underway for 7 years. And I suspect as I look around the audience we can find many other examples quite comparable to that one. In Salt Lake City, local officials used block grant funds to match other Federal funds and establish a park in a low-income area of the city. Using community development funds the city of Winston-Salem, North Carolina, is stimulating renovation of the old neighborhoods by offering a cash payment of some $2,000 to people willing to move into the area and to renovate the homes. There have been many, many others—good examples of innovation and progress in cities throughout the country.

Because there has been so much success with this program, I have proposed a $446 million increase for community development in my fiscal year 1977 budget, bringing the total to $3,200 million. I think this is the way to attack some of these problems that were logjammed, roadblocked, stymied by the old seven categorical grant programs. And I think we have made a lot of headway in this direction.

And let me cite one or two examples. One of the best success stories of all in the community development field is this: Federal intervention and control has been drastically reduced, with very favorable results. Federal regulations governing program activities have been reduced—incidentally, on my orders—from the 2,600 pages required for categorical aid to 25 pages for the block grant approach.

A community has to file only one application consisting of 50 pages rather than the previous average of five applications consisting of 1,400 pages. Processing and approval of community development block grants averages 49 days. Listen to this: Under the categorical urban renewal program, processing took more than 2 years. I don't blame you for being frustrated, and we are going to do better than the 49 days if we possibly can.

The success of the community block grant program, like the success of the general revenue sharing program, points to one central fact—you know what to do to improve your cities and you know how to do it, and with the proper tools

and the necessary resources, you can do the job that needs to be done. I have faith in you, and I think your constituents have faith in you.

But today, no single man, no single level of government can be expected to transform America's cities overnight or all alone. The cooperation of Federal, State, and local governments, of Presidents and Congressmen, of Governors and mayors and councilmen, is essential to the success of the long term effort.

Our goal is to improve the quality of life in America's cities. The monuments we hope to raise are monuments not of stone and steel, but of the human spirit. We can make America's cities the thriving, forward-looking centers of commerce and culture that they ought to be.

We can make the streets safer and the traffic flow better and the air and water cleaner. We can revitalize city neighborhoods and improve city schools and other services. The administration is fully prepared to join with you in these great enterprises, and more.

In fact, we have already begun. This conference can help to ensure the continued success of one program, one sign of hope and progress we have already struggled for and won. Let's get general revenue sharing extended and go on from there and make our cities gleam again with the glow of new life and the brilliance of a hopeful future for the United States of America.

Thank you very, very much.

NOTE: The President spoke at 11:09 a.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Mayors Moon Landrieu of New Orleans, La., and Hans Tenzler, Jr., of Jacksonville, Fla., and Representative L. H. Fountain of North Carolina.

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Remarks and a Question-and-Answer Session With Members of the Ohio Farm Bureau Federation. *March 15, 1976*

THANK YOU very, very much, Earl, and Bud Brown and Bill Swank and all of you from the Ohio Farm Bureau. Earl forgot to add one final qualification that I have—I am about a 25-year associate member of the Michigan Farm Bureau.

I can't tell you how many Farm Bureau community group meetings that I have attended during my 25-plus years in the Congress. But I always ate well,

enjoyed the good company, and learned a lot about agriculture going to the many community group meetings that I had the honor to attend.

Let me make one or two comments. Last week—or I guess 10 days ago now—I made our fine Secretary of Agriculture the Chairman of the Cabinet-level committee on U.S. food policy. I think Earl Butz will do an outstanding job in that capacity, as well as in the capacity as Secretary of Agriculture.

I have known Earl Butz a long time. I knew him when he was down here in the 1950's, and I couldn't have been more pleased when he agreed to stay on as Secretary of Agriculture when I became President. I know that he is the finest Secretary of Agriculture that we could possibly have in this very important period of time when U.S. agriculture is so vital not only to ourselves but to the world.

In addition to that, I am sure many of you know that the problem of passing a fine family farm on to the next generation is a matter of great concern.

I was looking at some statistics before coming out here, and I understand there are roughly 116,000 family-owned farms in the State of Ohio. And I know from my experiences in Michigan that many families, because of estate tax problems, have great difficulty in passing that family farm, which means so much to the family, on to the next generation.

In 1942, the Congress last established the $60,000 estate tax exemption; 1942 to 1976, no change. I think the Congress ought to increase that to $150,000 and, in addition, ought to spread out the method by which—whatever the estate taxes might be, over a longer period of time, 25 years; 5 years a total moratorium on paying the estate taxes, whatever they might be, and then a 20-year period whereby the estate tax payments would be spread out with a 4-percent interest rate, which I think would help immensely in the carrying of whatever the estate tax burden might be.

But by increasing it from $60,000 to $150,000, I think we not only help the family farm being retained in our society but it provides the kind of continuity that is essential. One generation to another carries on the fine capabilities that exist in a family for continuing America's agriculture as the vital part of our economy.

Now last year we sold, as I recollect the figure, some $22 billion worth of agricultural commodities overseas. We are going to keep our markets in Japan, in Eastern Europe, in Western Europe. And the new agreement with the Soviet Union guarantees us 6 million tons a year minimum instead of the peaks and valleys and the fluctuations that we have had over the years, where one

year they would buy literally nothing, and the next year they would buy very significant amounts.

Now since the agreement was signed, they have bought better than 3 million more tons of corn and wheat, taking us up to a figure of about 13 million tons, as I recall, Earl. And the possibility exists, with their bad harvest and their great needs, that they will come in and buy some more.

One of the problems they have—they have bought so much from us that their ports, their shipping facilities, are incapable of handling what they have already purchased. So, what we have sold them is good; what the prospects are for the next 5 years are excellent.

So, I think American agriculture has a great, great future. And Earl Butz has been, I think, a super Secretary. And all of the success that comes from the bureaucracy down here, I think we can attribute to the leadership and the experience and the dedication that we have in Earl Butz. Earl, I thank you for the great job.

I also should say a good word about Bud Brown. He was a great help to me when I was in the Congress as the minority leader. Of course, I knew his Dad and worked with his father, who was also a great Member of the Congress.

I am sorry that Wally Hirshfield[1] is not here. I understand he is over in Europe with another good friend of mine, Jim Rhodes.[2] I don't know Wally too well, but I will tell you that Jim Rhodes is a real salesman. [*Laughter*] I think you all know it better than I do.

So it is nice to have Bill here representing Wally, and it is nice to have Bud and all of you here at the White House. And I thank you very, very much for coming.

WILLIAM SWANK. Mr. President, in anticipation of this meeting, our board met and talked about a commendation to you for your strong efforts in stabilizing the economy and getting this runaway inflation back under control. Farmers are very concerned, as you know, because so many of their costs have to be purchased off the farm; that's not just farm machinery, but all those things.

Our vice president of the board is here and our chairman of our public affairs committee. We want you to meet them, along with these people, but first I have been designated to hand you this commendation. I won't read it, but I will say that it speaks to the tireless efforts of President Gerald Ford in getting our economy in a viable condition. And the most recent statistics that we have

[1] President, Ohio Farm Bureau Federation.
[2] Governor of Ohio.

learned about unemployment coming down, about the economy picking up, I think, speak very graphically to the fruits of these efforts. And I present it to you on behalf of our board and our Ohio Farm Bureau Federation—more than 66,000 families. We are proud of you, and I am pleased to present them to you.

THE PRESIDENT. Thank you very, very much, Bill.

MR. SWANK. Do you have a question or two? I think he would be glad to have them.

THE PRESIDENT. I am very, very grateful, and I am tremendously encouraged with the new trends in our economy. As Bill said, employment is going up, unemployment is going down, the rate of increase in the cost of living has been cut in half in the last 19 months. All of the trends are good, and I think this is reflected in the public confidence that we see in all the polls that are being taken. It has really leaped upward in the last few months. And that really comes down to the faith that the American people have in our government and our Nation's future.

Now, I would be glad to answer a question or two. Don't be shy.

Q. Mr. President, I am from Athens, Ohio, which is primarily a college town. There are very few smalltime family farms there that are able to make it financially. I was wondering what you see in the future for small family farmers.

THE PRESIDENT. Well, I think the small family farmer is better off today than he has been in the past. Now, I think you have to describe what you mean by a small family farmer. One in Ohio may be different than one in Nebraska, or one might be different in Ohio from one in Texas.

I presume a small family farm in Ohio would be quite similar to one in Michigan. But what we are finding in Michigan is that a 160-acre farm would probably fall within that definition. I think with the problems that they have, with the need for more acreage, which they either rent or buy, with the problems that they have for the cost of machinery, the labor problems, I think they have somehow got to expand their operations.

A 160-acre farm is a tough operation, there is no question about it, whether it is dairy, whether it is fruit, whether it is fresh vegetables, whether it is any of the other cash crops. But I think with the inflation problem getting under control and, hopefully, interest rates coming down, which they are, I think the opportunity for a small family farm, such as we have agreed would exist more or less in Michigan or in Ohio, can make it and can keep the integrity of that great asset in our society.

Q. You have a lot of young people here who are doing that.

THE PRESIDENT. Yes.

Q. Mr. President, we are concerned, I think, in Ohio, with the scheduled abandonment of some of the rail lines.

THE PRESIDENT. Well, under the Rail Revitalization Act, which I signed about a month ago—it provides that if a State wants to continue what has been designated as a prospective line for abandonment, that State can put up 30 percent of the cost of maintaining that line, and the Federal Government will put up 70 percent. But it has to be of such importance to the State that the State is willing to make an investment, and I think that is a fair proposition.

Q. Our president, in Europe, said we are being thought of as an unstable supplier of grain. I think you said a word about that, but this concern about keeping exports open seems to be there, as well as here.

THE PRESIDENT. I know that some in agriculture have raised questions about the embargo that we imposed for several months in 1975. But it was done solely for the purpose of getting a 5-year firm agreement for a minimum sale of 6 million bushels (tons) per year to the Soviet Union, with an opportunity for them to buy more.

Now, I am convinced that that was in the long-range interest of agriculture. I can assure you to this extent: I see no prospects for any reimposition of any embargo. In fact, I told some Illinois farmers 10 days ago or 2 weeks ago, the chances were literally nil. And as long as we produce and have the capability of selling as we have, I see not using agriculture—and this is the important thing—not using our farm exports as a pawn in international politics, period.

MR. SWANK. Thank you, Mr. President.

NOTE: The President spoke at 12:20 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to Representative Clarence (Bud) J. Brown of Ohio and C. William Swank, executive vice president of the federation.

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Remarks at the Swearing In of William W. Scranton as United States Representative to the United Nations. *March 15, 1976*

Governor Scranton and Mary, Mr. Justice Stewart, Governor Ray, Members of the Congress, Cabinet, Diplomatic Corps, ladies and gentlemen:

It is a very great personal privilege and a very high honor to participate in the swearing in of an old friend, Bill Scranton, as the new Representative of the United States at the United Nations and as the newest member of my Cabinet.

I knew Bill as a strong internationalist when we were fellow students at Yale Law School. I knew him as a fellow Congressman who strongly supported such concepts as the Peace Corps and foreign aid. I knew Bill as a special assistant and an international troubleshooter for Secretaries of State John Foster Dulles and Christian Herter. I knew him as a Governor of a great State who broke deadlocks in disputes between differing interests. And therefore, I have the greatest confidence in him as our new Ambassador to the United Nations.

Bill Scranton is the man who performed so effectively on the transition team during the tumultuous days when I first assumed the Presidency. He will now be our United Nations Ambassador when the entire world is in transition.

As Chairman of the President's Committee on Campus Unrest, Bill Scranton showed great initiative and independence of spirit. Now, he takes over a very difficult post at a time of widespread unrest in the world.

From Bill Scranton's record of achievement and from my own years of very close personal friendship with him, I know him to be a man of depth and of vision. He personifies the old American virtue, dating from George Washington and Pennsylvania's Ben Franklin, of balancing conciliation with great personal strength.

The United States of America is the world's best hope for peace with freedom. Universal aspirations for a better life depend substantially on our strength, our perseverance, and our prudence throughout the world and at the United Nations. These qualities will be ably demonstrated by our new Ambassador.

The United States retains the idealism that made us the driving force behind the creation of the United Nations, over three decades ago, as a worldwide system to promote peace and progress. Americans are convinced that the world can be a better place. Reason and good will can triumph over prejudice and arrogance. That is why we remain committed to the support of the United Nations.

The opportunities arising from interdependence are positive and very creative. We remain guided by principles expressed in the Secretary of State's speech to the Seventh Special Session of the United Nations last autumn. We will continue to stand up and speak out for the good name of the United States and against the pursuit of narrow interests.

Bill Scranton will have very heavy responsibilities. He has my complete confidence and trust in the discharge of those responsibilities. I know that he will not only advocate America's views with great strength and great skill but that he will listen respectfully to all other delegates who speak in good faith.

I know that he will work, as he has in so many past endeavors, to improve the efficiency of the United Nations and its agencies.

The challenge facing Bill Scranton is immense; conflicts are inevitable in the United Nations. In recent years, the world has witnessed unfortunate and excessive concentration on irresponsible resolutions and the manipulation of procedures. This has happened at a time when the legitimate and crucial issues on the United Nations' agenda require all the dedication and statesmanship the world can muster.

Our new Ambassador, with the people and the Government of the United States firmly behind him, will demonstrate the good will, determination, and serious purpose that have characterized American participation in the United Nations.

We will listen with respect to all genuine grievances. We will deal with all problems on their merits. We ask only that others show reciprocity and cooperation. The United States will defend the United Nations against any effort to use it for cynical tests of strength that subvert the ideals of the United Nations Charter.

I am grateful that our Nation will have such an able spokesman. I know Bill, as I have said before, as a very close personal friend and have called him Governor for many years. Today, I address him as Mr. Ambassador and ask all of you to join me in wishing Ambassador Scranton every success.

Now, I will ask Justice Potter Stewart to come up and administer the oath, and I would like the Secretary of State to join me while the oath is administered.

NOTE: The President spoke at 2:10 p.m. in the East Room at the White House. In his opening remarks, he referred to Mary Scranton, Ambassador Scranton's wife, and Gov. Robert D. Ray of Iowa.

Potter Stewart, Associate Justice of the Supreme Court, administered the oath of office.

Ambassador Scranton's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 431).

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Remarks Upon Presenting the National Teacher of the Year Award. *March 16, 1976*

Thank you very much, Governor. Mr. Secretary, Dr. Bell, Virginia Trotter and, of course, the person being honored here today, Mrs. Ruby Murchison, and all of the guests who are here:

I was looking over your biography, and I was greatly impressed, of course, with one fact that I understand you are very proud of. You don't teach subjects, you teach children, and I think that is really what education is all about.

I have often thought I got much more out of the way in which a subject was taught to me rather than the books that were presented that I had to look through, and sometimes study. [*Laughter*]

Anyhow, we are very proud of you, and I know the people in Fayetteville are extremely proud of you, and those who come from your junior high school, not only the students but the faculty.

This is the 25th year, I understand, that the Teacher of the Year Award is being made. I recall vividly last year, which was my first opportunity to make this award, there was a young teacher from Minnesota who was the Teacher of the Year at that time. And I enjoyed having the opportunity of talking with him. And it is a great privilege and pleasure for me to participate in this award occasion on your behalf.

As the good Governor said, the junior high school period is a very formative period for the child, but it is also a very difficult period for the teacher. We have had in our family four who have gone through that period. And it is also a little difficult for the parents, I might add. [*Laughter*]

But they all survived, like most of our children do, and the parents did, and the teachers keep on the fine work that they continue to do in taking this outstanding group of young people and getting them through this very formative period.

I do want to congratulate you not only on being the Teacher of the Year but, from what I saw, the great contributions you make not only to Fayetteville but to the State of North Carolina and to the teaching profession as a whole.

I am honored to see to it that you get the famous apple, which is the second time I have had an opportunity to make a presentation. It is a great occasion for you, and it is a great occasion for education, and it is a very enjoyable occasion for me. Here is the Bicentennial Medal, which I am sure you will prize.

And in conclusion, let me congratulate the people from the Encyclopaedia Britannica, as well as the Ladies Home Journal, for their sponsorship of this fine program and this award.

MRS. MURCHISON. Thank you, Mr. President, sincerely, for this symbol of excellence in teaching on behalf of all teachers and for the Bicentennial Medal. I also have a gift for you.

On behalf of the Fayetteville city schools, I am delighted to present to you this pewter plate, which is an exact copy of one made in Fayetteville in the early 18th century. This plate was designed in Fayetteville by craftsman Isaac Scarborough. We certainly hope that you will like this.

THE PRESIDENT. It is beautiful. Thank you very, very much, Mrs. Murchison. I can assure you that Betty will be delighted with this, and I thank you on her behalf, as well as myself.

I can tell you something I have done already that is wrong. I can see those fingerprint marks—[*laughter*]—that she will reprimand me about. But I will turn it over to her, and she will keep it the way it should be kept.

Both of us are most grateful and very appreciative of your thoughtfulness. You will express to the people from Fayetteville our appreciation as well.

It is nice to see you all. This is a great occasion, it is one I particularly like. So, I congratulate you again and wish you the very, very best. They are lucky to have you as a teacher down there.

NOTE: The President spoke at 12:12 p.m. at a ceremony in the Cabinet Room at the White House. In his opening remarks, he referred to Gov. James Holshouser of North Carolina, David Mathews, Secretary, Dr. T. H. Bell, Commissioner of Education, and Virginia Y. Trotter, Assistant Secretary for Education, Department of Health, Education, and Welfare.

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Message to the Congress Transmitting Quarterly Report of the Council on Wage and Price Stability. *March 16, 1976*

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the fifth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the last quarter of 1975 in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies in steel, automobiles, and industrial chemicals, as well as its filings before various Federal regulatory agencies.

During 1976, the Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

GERALD R. FORD

The White House,
March 16, 1976.

NOTE: The report, covering the period September 1, 1975–December 31, 1975, is entitled "Quarterly Report, January 1976—Council on Wage and Price Stability" (Government Printing Office, 37 pp.).

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Telephone Remarks at a Lincoln Day Dinner in Grand Rapids, Michigan. *March 16, 1976*

LET ME say on behalf of Betty that we are both delighted to have an opportunity to express to all of you our gratitude for the great support that everybody has given us in the Fifth District and in the State of Michigan over the years.

I think a good many people there know that I have attended Lincoln Day Dinners as far back as 1946, and it seems that every one of them gets better and better. With all of the senatorial candidates there, as well as the Lieutenant Governor, I am sure this will be a first-class Republican Lincoln Day Dinner in Grand Rapids on this occasion.

I still read the local newspapers. I have noticed that you had a kind of rough time last week with all of the bad storms, the ice and sleet, and the high water flooding of the Grand River. Obviously, we were deeply concerned about the fact that the water was high and the power was out. And I hope that the damage to western Michigan was not too severe, and, particularly, I hope it wasn't bad as far as those great fruit ridge orchards up there in the northwest corner of Kent County.

On a happier note, I wish I could see some of your faces tonight because the support that I have gotten over the years from so many people has made my job easier in the Congress in the first place, and my job easier as Vice President, now as President. And I thank everybody for what they have done over the years on behalf of my candidacy, and I hope that what I have done justifies continued faith in the future.

We know, Betty and I, how hard so many of you have worked, how much time you have given, and how much energy you have expended over the years for a good cause, which I trust will be justified in the primary as well as the general election on November 2.

One of the great thrills that we got, Betty and myself, was that 91 of you paid your own way to travel to Florida on my behalf, and believe me, that group that went down there, Pete,[1] did a great job. It had superior press—the radio, television, and the writing press was tremendous—and I think it had a significant impact on the election results last Tuesday.

[1] Peter Secchia, Kent County Republican chairman.

You know, it was great to see those pictures of Cliff Gettings and Mose Haddam, who were such good friends of mine and did so much for me when I was at South High. To see them working side by side with some of the students from Calvin College, the high schools, and other colleges in western Michigan, really gave me a thrill and made me feel just real good inside.

But, with that kind of spirit and that kind of dedication, we are going to keep up our unbroken string of victories—New Hampshire, Vermont, Massachusetts, Florida—and I just heard a few minutes ago that one of the networks said we were going to win 63 percent of the vote in Illinois. Another one said 58 percent. But whether it is 58 or 63, that is a great victory and another real clincher in our effort to win the nomination and to go on to victory on November 2, 1976.

We are going to keep on with the same programs. We are going to make certain that what we do is right, and that we are going to make certain that we have progress on our domestic economy at home and peace abroad. I am convinced that those programs will win not only the primaries but it will win the general election on November 2, 1976.

I would like to add this, Pete, if I might: We have a great senatorial election, or race, coming up in 1976 in Michigan. I happen to think that Bob Griffin is one of the finest Members of the Congress, either in the House or the Senate, on the Democratic or Republican side. Bob does just a tremendous job. But it would be a great help to him and a great help to me if we had another good Republican Senator from Michigan elected on November 2.

Now, we are going to say to all of you that we have appreciated your help and assistance. We want support from the younger people, from those in the middle, and those who are among our senior citizens.

We think we have a good program. It is aimed at solid solutions, not at quick fixes. Those who advocate the quick fixes are looking at today and forgetting about tomorrow. We have to have a program in this country that takes care of our present problems and makes certain that we have a solid, strong, vigorous, progressive America in the years ahead. And I pledge to you, the younger people, and all above that age group, that as far as this administration is concerned, we are going to be for a strong America both at home as well as abroad.

Let me conclude by simply saying we have a tradition in this country that goes back some 200 years. And we are on the brink of our third century; it should be the greatest century in the history of America. But we can make it that way by being proud that we are Americans and proud of America.

I thank you all, on behalf of Betty and myself, very, very much. The best to you and to all of those who are there. Good luck, and God bless you.

NOTE: The President spoke at 8:30 p.m. from the Residence at the White House.

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Remarks of Welcome to Prime Minister Liam M. Cosgrave of Ireland. *March 17, 1976*

MR. PRIME MINISTER, it is a particular honor and a pleasure to welcome you on this very special day, when the American spirit and the Irish spirit are in such close harmony.

I welcome you not only as Prime Minister of Ireland but as a kinsman, very distant in genealogy but very close in affinity. My mother proudly told me one time that I am partially Irish in heritage, and I can assure you that I am fully Irish in spirit.

Your visit, Mr. Prime Minister, symbolizes the warm friendship and excellent relations between our two countries. We have joined to face the great challenges of our times—to ensure peace, prosperity, and liberty for all our peoples.

Mr. Prime Minister, I convey the appreciation of the American people to the people of Ireland for your participation in our Bicentennial. Throughout our history—beginning with the many Irish-Americans who fought for freedom in 1776 and the 11 who signed the Declaration of Independence—men and women from your country have brought Irish courage, Irish energy, Irish strength, Irish devotion, and Irish genius to the United States of America.

In addition to the bonds of history and family, our nations share a deep devotion to independence, democracy, religious liberty, and individual freedom.

Ireland, which became a free nation only in this century, is part of the new as well as the old. You have the confidence of many of the world's new and developing nations which, like Ireland, have gained independence in our lifetime. You also have the mature values and culture of an ancient civilization which started before history books were written.

The problems confronting the entire world, the attainment of peace and security, of justice and human dignity, must be met by nations working together. Only by cooperation can the countries of the world confront the complexity of the new age. Through your effective contributions to the United Nations, especially to the United Nations peacekeeping forces, Ireland has shown profound appreciation of humanity's interdependence.

As a member of the European Community, Ireland has creatively fostered

relations between the Community and the United States during the Irish Presidency of the European Community.

Just as we value Ireland's constructive and distinguished role in international relations, we greatly appreciate our own ties with your country, Mr. Prime Minister. We cherish our cultural and historical associations and the steady expansion of mutually beneficial trade. Our economic cooperation is increasing, and American investment in Ireland is substantial and growing.

We meet today to honor our long and mutual tradition of Irish-American friendship and to build upon it for the future. I look forward to our discussions, and I am delighted to welcome you on this magic day.

Mr. Prime Minister, the top of the day to you, to Mrs. Cosgrave, and to all of your party and to all the Irish everywhere.

NOTE: The President spoke at 10:45 a.m. on the South Lawn at the White House, where the Prime Minister was given a formal welcome with full military honors. The Prime Minister responded as follows:

Mr. President, Mrs. Ford:

My wife and I would like to express our sincere gratitude to you and Mrs. Ford for the very gracious welcome that you have given us.

We are deeply honored to receive your invitation to make an official visit to the United States to be with the people of America as they celebrate the 200th anniversary of the Declaration of Independence.

It is particularly appropriate that our visit should commence on St. Patrick's Day, which has an especial significance for Ireland and, indeed, also for the United States. It is also a great personal pleasure for us to be here in this beautiful city of Washington, where we have so many friends.

For me, Mr. President, today has a further personal significance. Almost half a century ago, in 1928, my father, W. T. Cosgrave, then head of the Irish Government, visited this country, accompanied by his Minister for Defence, Mr. Desmond Fitzgerald, whose son, Dr. Garrett Fitzgerald, is Foreign Minister in my government and is here with me today. I wonder whether in the history of such visits to this great country there has been any parallel. I am indeed gratified that history should repeat itself on this auspicious occasion.

We are indeed greatly honored to have been invited here during your Bicentennial Year, a year which highlights the remarkable achievements of this truly great Nation. We are proud that throughout American history the Irish people have been closely identified with your endeavors. What you have accomplished and the ideas for which you stand have served as a source of inspiration to us and to other nations. Indeed, the ties that were forged between us in the early years have not lessened with time. On the contrary, I believe they are today stronger and firmer than ever.

Mr. President, on this St. Patrick's Day in this historic year, it is, I think, appropriate for me to bring you a special message from the Government and people of Ireland.

Today, when the challenges which confront us in almost every field of our activities—both national and international—appear daunting, it is timely to reflect on this dedication of our forebears, to whom we owe so much. In Ireland, we look back over 1,000 years and more to the work of St. Patrick and those who followed him, who kept alight in Europe during the centuries of the Dark Ages the torch of civilization.

They were men of peace in times of violence. Their principles of freedom, justice, and truth are part of our heritage. They remain the values by which we must seek to conduct our affairs today. These principles are enshrined in the charter of the United Nations, and Ireland has pledged its endeavors towards their observance throughout the world.

Mr. President, I am deeply touched by your warm welcome, and I am certain that our visit will further strengthen the warm bonds of special friendship which have always characterized the relationship between our two countries.

Mr. President, there are many ancient traditions associated with St. Patrick's Day. And one of the best known of these is the wearing of the shamrock, which has a special significance for the Irish people, both at home and in the countries of their adoption.

Today, which is symbolic of so much that the Irish and American people share in common, it is a great source of pleasure to me to have been able to present this shamrock to you, to pin it on the President's lapel as a symbol of the friendship and the close ties which bind our two countries together.

Mr. President, I thank you.

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Message to the Congress Transmitting Annual International Economic Report of the President. *March 17, 1976*

To the Congress of the United States:

America in 1975 renewed and strengthened its commitment to pursue the traditional U.S. goals of freer trade and enhanced global economic stability and prosperity. The United States has proposed a series of major economic initiatives providing leadership in efforts to improve trade and monetary arrangements, to establish cooperative mechanisms for dealing with the problems of food and energy, and to offer effective international responses to those nations in greatest need. 1975 was a year of achievement which produced new and more effective international economic policies, as the following highlights indicate.

Economic Summit Meeting

In November I met with the heads of the governments of France, West Germany, Italy, Japan and the United Kingdom at Rambouillet, France to discuss the world economic situation and economic problems common to our countries. The Summit Meeting concentrated on the need for new efforts in the areas of world trade, monetary matters and raw materials, including energy. We agreed that sustained, stable economic growth in the industrial nations will be facilitated by our cooperative efforts. This Meeting, and the accompanying bilateral talks I had with leaders of the major industrialized democracies, established a new spirit of cooperation and confidence stemming from a deeper understanding of our common destiny. They set the stage for our efforts to deal with a variety of specific international economic challenges facing us in 1976.

Monetary Affairs

Efforts to revise the international monetary system resulted in major reforms. At the recent meeting of the International Monetary Fund's Interim Committee in Jamaica, we reached agreement on amendments to the IMF Articles of Agreement with respect to quotas, exchange rates, and the role of gold. The negotiations resulted in the first major revision of the international monetary system since the 1944 Bretton Woods Conference. The exchange rate provisions of the IMF Articles of Agreement will be amended to provide a flexible framework for the future evolution of the system. The Interim Committee also reached agreement on steps to phase gold out of the international monetary system.

Multilateral Trade Negotiations

The Multilateral Trade Negotiations in Geneva have gained momentum since early 1975. At the Rambouillet Summit we unanimously agreed to seek a successful conclusion of these negotiations by 1977. The United States will continue to provide strong support and leadership to the effort to reduce trade barriers and otherwise improve the world trading system.

Energy

The establishment of the International Energy Agency by the United States and its OECD partners constituted a major response to the economic imbalance in the vital area of energy. The IEA has developed the details of an International Energy Program designed to limit the vulnerability of the participating nations to supply interruptions. Agreement was also reached on longer-term cooperation to reduce consumption and develop alternative energy sources in order to lessen dependence on imported energy. We have established emergency arrangements providing for energy reserves, consumption restraint measures, and allocation procedures.

Developing Countries

The United States is committed to assisting developing countries in their efforts to achieve economic progress. Our response to the needs of the less developed countries was expressed clearly and positively at the Seventh Special Session of the United Nations in September. We proposed a new development security facility in the IMF to stabilize overall export earnings in developing countries, and numerous other ideas—including trade preferences—to achieve mutually beneficial solutions to the problems of economic development.

Commodities

At the Seventh Special Session of the United Nations we indicated that we will consider participating in various commodity agreements on a case-by-case basis. We also announced that we intend to join the Fifth International Tin Agreement, subject to Congressional approval. The need, value and structure of commodity agreements vary for different commodities. In considering commodity agreements on a case-by-case basis, we will oppose concerted efforts to manipulate supplies and prices which ignore the interests of consuming countries while seeking to assure developing countries adequate income from their natural resources.

Food and Agriculture

The United States in 1975 continued its vital leadership in seeking strengthened cooperation to increase world food production and trade. We proposed

an expanded international grain reserve system and enlarged our food aid assistance. We will continue our policy of encouraging maximum agricultural production, and our efforts to achieve an efficient distribution system to assure that hungry people will be fed.

U.S.-Soviet Agreements on Grain and Oil

Last October, the United States and the Soviet Union signed an agreement providing for regular and orderly sales of American wheat and corn during the next five years. The American people—our farmers, our workers, and our consumers—will benefit from this agreement. The Soviet Union is committed to purchasing at least six million metric tons of grain per year, representing one billion dollars in annual export earnings.

In signing this agreement, we have assured a stable, long-term foreign market for our grain, and a more reliable flow of payments from abroad. We have assured American farmers that the Soviet Union will be a regular buyer of grain at market prices, thereby increasing the incentive for full production. We have provided jobs for American transportation workers and seamen. We have neutralized a great destabilizing factor in our grain markets. Perhaps most importantly, we have preserved our private marketing system, permitting us to maintain our highly successful policy of all-out production and open markets.

In the same constructive spirit, the governments of the United States and the Soviet Union have also committed themselves to negotiations on a five-year agreement for the purchase of Soviet oil. These negotiations are currently underway.

Multinational Corporations

Multinational corporations (MNC's) continue to be a highly visible and controversial factor in international affairs. MNC's have made major contributions to world economic development and will continue to do so in the future. While the major portion of foreign investment by multinational corporations is concentrated in industrial nations, many developing countries actively seek investments by MNC's, recognizing their potential contribution to economic development. Recognizing the generally positive impact of MNC's on world trade and production, I am distressed by reports of corrupt practices by some companies. For that reason, I have directed that members of my Administration undertake efforts, both domestically and internationally, to assure that multinational corporations obey the laws and conform with the public policies of the countries in which they do business.

We are participating in the development of an international code to provide guidelines for responsible corporate behavior. The Organization for Economic Cooperation and Development has made substantial progress toward drafting a code, and similar efforts will be undertaken in the United Nations and the Organization of American States in 1976. It is highly important that such codes of conduct provide that both multinational corporations and host governments share the responsibility for eliminating abuses.

Investment

The United States policy on international investment is based on our belief that a free market system without artificial barriers or incentives leads to the most efficient allocation of capital in the world economy. Accordingly we provide "national treatment" of foreign investors in the United States, treating them equally with domestic firms, and we expect similar treatment of U.S. companies investing abroad.

Following a comprehensive review of Administration policy toward inward investment, we concluded that it would be desirable to establish arrangements to monitor the flow of foreign investments in the United States. By Executive Order, I established the Committee on Foreign Investment in the United States to monitor the impact of foreign investment in the United States and coordinate the implementation of U.S. policy on such investment. A new Office of Foreign Investment was established in the Department of Commerce. We have also asked foreign governments contemplating significant investments in this country to consult with us prior to making such investments.

Export Policy

U.S. exports continue to play a vital role in strengthening our domestic economy. We are continuing our efforts to expand U.S. exports by providing competitive export financing, improved market information, and an increased foreign awareness of U.S. products. The United States prefers not to interfere with competitive markets. We oppose the use of export subsidies and similar measures which artificially distort trading relationships. At the same time, we must realistically take into account export polices of competitive countries, and we will continue to promote U.S. exports by insuring that competitive credit terms are available through the Export-Import Bank and the Commodity Credit Corporation of the Department of Agriculture, and sufficient tax incentives are available through the Domestic International Sales Corporation mechanism to meet foreign competition.

As we enter the last quarter of the twentieth century, our policies are directed toward working with others to ensure that the world's talents and resources better serve the well-being of mankind. We continue to seek a world in which all people can prosper, a world without hunger or severe want, a world in which the best efforts of all nations are prized and rewarded, so that their progress and health are ensured.

My Council on International Economic Policy plays a significant role in the development of America's international economic policies to meet immediate needs and guide our future course. Through its participation on the Economic Policy Board we have achieved better coordination of U.S. domestic and international economic policy than ever before in our history.

This, the fourth International Economic Report of the President, measures the range of the Administration's concerns and the character of the American response to major international economic issues. I am proud of our progress and accomplishments in 1975. I am confident that they will lead toward a more free and open world of international economic relations benefitting the American people and all people.

GERALD R. FORD

The White House,
March 17, 1976.

NOTE: The President's message, together with the annual report of the Council on International Economic Policy, is printed in the "International Economic Report of the President, Transmitted to the Congress March 1976" (Government Printing Office, 189 pp.).

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Letter to the House Minority Leader on Certain Provisions of the Proposed Antitrust Bill. *March 17, 1976*

Dear John:

As I outlined to you on Tuesday, March 16, I support vigorous antitrust enforcement, but I have serious reservations concerning the parens patriae concept set forth in the present version of H.R. 8532.

I question whether federal legislation is desirable which authorizes a state attorney general to sue on behalf of the state's citizens to recover treble damages that result from violations of the federal antitrust laws. The states have the ability to amend their own antitrust laws to authorize parens patriae suits in their

own courts. If a state legislature, acting for its own citizens, is not convinced the parens patriae concept is sound policy, the Administration questions whether the Congress should bypass the state legislatures and provide state attorneys general with access to the federal courts to enforce it.

In addition to my reservations about the principle of parens patriae, I am concerned about some specific provisions of the legislation developed by the House Judiciary Committee.

The present bill is too broad in its reach and should be narrowed to price fixing violations. This would concentrate the enforcement on the most important antitrust violations.

In addition, the Administration is opposed to mandatory treble damage awards in parens patriae suits, preferring instead a provision which would limit awards only to the damages that actually result from the violation. The view that federal penalties were inadequate, which has been used to justify mandatory treble damages in the past, is no longer justifiable given the substantial increases in these penalties in recent years.

The Administration opposes extension of the statistical aggregation of damages, beyond parens patriae legislation, to private class action suits because this is outside of the appropriate reach of this legislation.

Finally, the Administration prefers discretionary rather than mandatory award of attorney's fees, leaving such awards to the discretion of the courts.

During the last two years, the Administration has sought to improve federal enforcement efforts in the antitrust area and the resources devoted to antitrust enforcement have increased substantially. In December 1974, I signed the Antitrust Penalties and Procedures Act which increased maximum penalties from $50,000 to $1 million for corporations and $100,000 for individuals. As I indicated above, I support vigorous antitrust enforcement, but I do not believe H.R. 8532 is a responsible way to enforce federal antitrust laws.

Sincerely,

GERALD R. FORD

[The Honorable John J. Rhodes, Minority Leader, House of Representatives, Washington, D.C. 20515]

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Toasts of the President and Prime Minister Cosgrave of Ireland. *March 17, 1976*

Mr. Prime Minister and Mrs. Cosgrave, ladies and gentlemen:

Betty and I have had the luck of the Americans to have you with us tonight. [*Laughter*] You have been in our country before and are very obviously our friends, but on this very special day we have had the great pleasure to welcome you on your first visit as Prime Minister of your country.

On this St. Patrick's Day of the United States Bicentennial Year, all Americans know there is a bit of the green in the red, white, and blue of the United States. [*Laughter*]

We honor the history of our Nation and the great contributions that all of you from Ireland have made to American independence, as well as growth. No country could be more welcome or entitled to join in our Bicentennial celebration than Ireland. We are proud of the Irish chapter of development and achievements as far as the United States is concerned. The very high proportion of Irish-Americans in George Washington's army is no blarney. [*Laughter*]

As I observed this morning, Mr. Prime Minister, 11 signers of the Declaration of Independence were Irish-Americans, and the White House itself, where we are dining tonight, was designed by a native of Kilkenny, James Hoban, in 1792. We are told by our historians that the Irish may even have had a hand in discovering America. I say by Irish historians—[*laughter*]—so we don't get into some conflict with some other friends of ours.

Saint Brendan the Navigator may have crossed the Atlantic in the sixth century, and I believe that some of your hearty countrymen will attempt the same crossing this May in a boat much like Saint Brendan's. We will welcome them, Betty and myself, to the Irish-designed White House when they arrive.

The Irish contribution to America is not restricted to the past. Today, some 20 million Irish-Americans are building energetically on the great legacy of their ancestors. They are helping our country to make an even greater achievement as we enter our third century.

Many distinguished Americans of Irish heritage are here tonight to honor you and Mrs. Cosgrave. Their contributions are in a wide variety of endeavors, whether it is education, medicine, the law, religion, theater, the arts, the building trades, business. It covers all aspects of our society. But nowhere have Americans of Irish descent been more prominent than in government and in politics.

And we have some good evidence of that here tonight. The Irish have that love of people, gift of language, warmth of heart, and capacity of courage that makes them grand and great competition.

We pay tribute to the long, long friendship as well as the kinship of the Irish and the American people. But while honoring the past, Mr. Prime Minister, we face the challenge of the future. As we value your friendship, so we value your cooperation with us on these great issues that we have to face on a day-to-day basis.

Your visit and the talks we had this morning are of great importance not only for the American-Irish relations, but for our efforts to work together on the issues confronting our entire world community. Ireland, not only in the past but the present, has much to give to the world. Possessed of an ancient civilization and very rich culture, the Irish are devoted—as we are—to democracy, individual freedom, and constructive participation in international political arenas.

Ireland is a leader in the quest for a just peace among nations. They have contributed very actively and effectively in the United Nations, and you have done much to perfect the United Nations peacekeeping effort throughout the world.

Distinguished Irishmen have served as the Presidents not only of the United Nations but of the League of Nations, and you should all be very proud of that responsibility.

More recently, Ireland has taken a very effective role in the European Community. And we deeply appreciate the achievement of close consultations between this Community and the United States during your term as President of the European Community.

Mr. Prime Minister, I know from our discussions this morning that we are both determined to expand the relations between our two countries. We have dedicated ourselves to peace and to progress of not only our nations but all peoples, with a firm commitment to cooperate with one another, with all humanity, to a common purpose. Mr. Prime Minister, this is one of the finest traditions of this wonderful day, which is dedicated to St. Patrick. I can assure you that today is not only a great day for the Irish but it has also been a great day for Betty and myself.

Let me say that we thank you, Mr. Prime Minister and Mrs. Cosgrave, for sharing St. Patrick's Day with us. And to all of the people, some 215 million Americans, it is a great occasion for us in our Bicentennial Year.

So, now I ask all of you to join with me in a toast to the Prime Minister of Ireland and to the special, the very special, relationship between Ireland and the United States, past, present, and future, and to all of the Irish everywhere.

To you, Mr. Prime Minister.

NOTE: The President spoke at 10:17 p.m. in the State Dining Room at the White House. Prime Minister Cosgrave responded as follows:

Mr. President, Mrs. Ford, distinguished guests:

On behalf of my wife and myself I would like to say how very grateful we are to Mrs. Ford and you, Mr. President, for your very kind invitation to come here and, particularly, for your extremely generous and cordial remarks tonight.

I can assure you we feel very much at home. In fact, we have felt completely at home since our arrival in the United States. Our American friends have lived up to their great reputation for hospitality. And while we claim to have played some part in the development of the United States, and it is customary on this day each year to commemorate St. Patrick, I don't think even in his most optimistic and spiritual experiences that he ever thought he would be commemorated in this fashion here tonight. [*Laughter*]

You, Mr. President, remarked on the Irish contribution in military terms and in politics and in science and medicine and law and in the other learned professions and, also, in scholarship and learning, generally. Again, we have had some political experiences, but I don't think these either came from St. Patrick, although we would often like to avail of his aid in settling some of our problems.

As you remarked, we indeed sometimes have a theory in Ireland—some of the historians, but I don't vouch for the accuracy of it—that there were two St. Patricks. Up to now though, we have had to get along with one. [*Laughter*]

As you remarked, we do claim that Saint Brendan the Navigator reached America. Sometimes we think, or like to think, that he got here before Columbus. I hope that the craft which comes here to celebrate your Bicentennial Year later this year will reach the shores of the United States safely.

I would like particularly to stress the very great honor which Ireland has felt at being invited to commemorate, thanks to your invitation, Mr. President, the second bicentenary of American independence.

As I said today, in speaking to the very gracious invitation from the Congress of the United States, we value the American contribution not merely to democracy but to the defense of freedom. And we appreciate the immense contribution which America and American influence, help and assistance, both financial and otherwise, has made to the rehabilitation of Europe and, indeed, the free world, after World War II.

We in Ireland are deeply conscious of the help which your great country gave to us. And we have many happy recollections of the substantial economic and social benefits that flowed from the help received under Marshall aid and the generous assistance.

We are at present particularly interested in the extent of American investment in Ireland, because we believe that it affords America an opportunity to expand in Europe, to get a foothold in Europe from Ireland, as a member of the European Economic Community and, at the same time, to enable Ireland to develop on a scale and to an extent which we have never known in the past.

In the past, as you remarked, Mr. President, many of our countrymen came to America, came to America because it provided not merely freedom from oppression but freedom to work and freedom to develop. Indeed, I recall the words of a well-known Irish politician 100 years ago, in which he said, when he came to America, "I have found a greater Ireland here than I have left behind."

Indeed, I couldn't help recalling, Mr. President, when you talked about the fact that this great house was designed by an Irishman that it has some similarities with the house which my colleague, the Foreign Minister, and I spend a lot of our time working in Dublin—Leinster House. It is where Parliament meets. There is one similarity that I think we certainly share, and that is that there are generally more people looking to take our places and yours outside a house than in it. [*Laughter*] I am sure, Mr. President, I have not to speak for you, but speaking for myself, at any rate, I will endeavor to try and at least look after my own place. [*Laughter*]

On behalf of all of my colleagues, we would like to express our very sincere congratulations not merely to you, Mr. President, and to your gracious wife and to the Government and all the distinguished people who have come here tonight, but to the people of the United States, all the people, particularly those who have sprung from an Irish background and who have come in the past, in the distant past as well as in the more recent past, from Ireland, to help make a contribution to building up this country.

They are proud of that tradition. We are proud of their place in politics, in peace and war, in trade and commerce. And we are particularly proud, Mr. President, that in recent years, a great many of your countrymen have come to Ireland, and they have

been extraordinarily successful on the race course. I see them all around me here. [*Laughter*] In fact, I am very glad to see that they have turned up, because I am sure it is only a prelude to further successes in the future. [*Laughter*]

Mr. President, Vera and I would like to thank Mrs. Ford and you and all your colleagues for the very kind invitation to share with you in celebrating the Bicentennial events in this year, to pay tribute to your Government, your country, to all the people of the United States, and to wish the same success in the future as you have had in the past, and to invoke in wishing you that, the blessing of God and St. Patrick on your efforts.

I will ask you to rise and drink to the health of His Excellency, the President of the United States, and Mrs. Ford.

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Joint Communique Following Discussions With Prime Minister Cosgrave of Ireland. *March 18, 1976*

[Dated March 17, 1976. Released March 18, 1976]

1. THE PRESIDENT welcomed the Prime Minister and stressed the significance he attached to the visit in connection with the celebration of the Bicentennial of American independence. The Prime Minister agreed with this view and thanked the President for his invitation. Both the President and the Prime Minister expressed the conviction that the visit would help to strengthen the ties of kinship, friendship, affection and mutual interest which bind their countries so closely.

2. The President and the Prime Minister discussed matters of common concern including international political developments and economic matters. The two leaders also discussed the development of the European Economic Community and Ireland's place in its progress.

3. On economic matters, both welcomed the close relations that exist between their two countries, and the Prime Minister indicated in particular the welcome of his Government for American investment in Ireland and the benefits to the two countries which could accrue from it. The President and the Prime Minister reviewed the improving economic picture on both sides of the Atlantic and, in this connection, the President underscored the importance of close consultations and cooperation between the United States and the European Community.

4. The President and the Prime Minister noted with regret the continued violence arising from the Northern Ireland situation. They deplored all support for organizations involved directly or indirectly in campaigns of violence and reiterated in particular their determination to continue and to intensify their cooperation in the prosecution of illegal activities. They appealed to the American and Irish people to refrain from supporting, with financial or other aid, this violence.

5. The Prime Minister invited the President to visit Ireland at a mutually agreeable future date, and the President accepted the invitation with pleasure.

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Special Message to the Congress Reporting on Budget Deferrals. *March 18, 1976*

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report six new deferrals. One of the deferrals—a routine one deferring Navy shipbuilding and conversion funds—accounts for all but $316.3 million of the $2,562.2 million associated with these six new deferrals. The other five affect funds for the Departments of Labor, Commerce, and Agriculture.

In addition, I am reporting an increase of $188,510 in a previously transmitted deferral of funds for a program of the Department of Health, Education, and Welfare.

The details of each deferral are contained in the attached reports.

GERALD R. FORD

The White House,
March 18, 1976.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of March 23, 1976 (41 FR 12180).

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Message to the Senate Transmitting the Convention on Registration of Objects Launched Into Outer Space. *March 18, 1976*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention on Registration of Objects Launched Into Outer Space, opened for signature at New York on January 14, 1975. For the information of the Senate the report of the Department of State concerning the Convention is also transmitted.

The Convention is designed to provide the international community with a central and public registry of objects launched into outer space. Pursuant to this

Convention launching States would be required to submit certain information to the U.N. Secretary-General regarding objects which they launched into outer space. The Convention builds on the foundation of a voluntary system of notification to the Secretary-General of the United Nations by U.N. Member States of objects they have launched. That voluntary system has now been observed for more than a decade.

The Registration Convention is an appropriate addition to the Outer Space Treaty, the Astronaut Rescue Agreement, and the Liability Convention. The Senate gave its consent to these earlier treaties in the field of space activities by unanimous vote. I hope that, at an early date, the Senate will also give its strong endorsement to this latest Convention.

GERALD R. FORD

The White House,
March 18, 1976.

NOTE: The text of the convention and accompanying papers are printed in Senate Executive G (94th Cong., 2d sess.).

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Remarks Announcing Designation of Thomas S. Gates, Jr., as Chief of the United States Liaison Office, People's Republic of China. *March 19, 1976*

I WOULD like to announce this morning the designation of former Secretary of Defense Tom Gates as our representative to the People's Republic of China. This is a very, very important post. We feel, of course, that our relations with the People's Republic is one of the most important relations that we have with any country throughout the world. And the fact that a former Secretary of Defense is to be assigned to that position, I think, reflects our conviction that this relationship is of vital importance.

I have known the new representative to the People's Republic of China since about 1943. We served in the Navy together on the same ship. I had many contacts with him when he was Secretary of Defense—first, Secretary of the Navy—when I was in the Congress and he was in the Pentagon. So I have known Tom Gates for a good many years.

I know that he did a superlative job in the Pentagon. He has been a good friend ever since. And I am delighted, Tom, that you are undertaking this

extremely important responsibility, and I thank you and look forward to the fine job you will do.

MR. GATES. Thank you, Mr. President. Of course, I am greatly honored, and I hope I can discharge my work there in carrying out your policies. I look forward to the experience. I am going to come down next week and get some education, and then in 2 or 3 weeks after that, I presume, if the Senate confirms me, I will be on my way.

THE PRESIDENT. I am submitting Tom Gates' name to the United States Senate for confirmation, so that we won't call you Mr. Secretary anymore, we'll call you Mr. Ambassador.

NOTE: The President spoke at 10:10 a.m. in the Oval Office at the White House.

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Message to the Congress Transmitting a Report on the War Risk Insurance Program of the Department of Transportation. *March 19, 1976*

To the Congress of the United States:

In accordance with Section 3 of Public Law 94–90, I am forwarding to the Congress a Report on the Investigation and Study of the War Risk Insurance Program of the Department of Transportation.

This Report states that the existing authority of the Secretary of Transportation under Title XIII of the Federal Aviation Act of 1958 should be expanded in certain respects. This Report will provide the basis for developing remedial legislation. Such legislation should authorize the Secretary of Transportation, after appropriate consultations with other Federal agencies and with the approval of the President, to provide insurance for international U.S. commercial aviation when such insurance is not available commercially and when it is necessary for the continuation of a particular required air service.

I transmit this Report for consideration by the Congress. The Department of Transportation will soon be transmitting implementing legislation.

GERALD R. FORD

The White House,
March 19, 1976.

NOTE: The report is entitled "Report on the Investigation and Study of the War Risk Program of the Department of Transportation Undertaken Pursuant to Public Law 94–90."

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Remarks and a Question-and-Answer Session With Members of the National Newspaper Association. *March 19, 1976*

President Branen and members of the National Newspaper Association and guests:

It is a privilege to welcome you to the East Room, and at the conclusion of the question-and-answer period, I ask all of you to join me in the State Dining Room for some refreshments. But before getting to the question-and-answer period, I would like to make two comments.

First, early this year in its ruling on the campaign reform laws, the Supreme Court said the Congress had 30 days to correct a small defect in the Federal Election Commission or the Commission would lose most of its powers. Three weeks ago, because the Congress had not yet acted, the Court granted a 20-day extension. Now, some 50 days have passed since the court announced its original decision, and this Congress is still engaged in inexcusable and dangerous delays. Time is running out.

On midnight Monday, the watchdog set up to protect our elections will be stripped of most of its authorities. The American people have a right to ask, just as I am asking, why won't the Congress act immediately to extend the life of the Commission through the November elections?

This is the proposal that I have made repeatedly, and it is a sound and sensible approach. Why are some Members of the Congress still trying to impose massive changes upon the campaign laws right in the midst of a campaign? It is clear that such changes would create greater chaos and uncertainty, so that in good conscience I could not accept the bill.

Finally, why do some Members of the Congress seem to be retreating from our commitment to fair and clean elections? No one can ignore the fact that the American people have had enough of politics as usual. These are the questions to which the Congress must be held to account as we approach Monday's deadline.

I urge the Congress to act with dispatch in reestablishing the Federal Election Commission so that the democratic process in 1976 will be truly worthy of our great Nation.

Then, one other comment. Friday has been especially good to the American people for the last month or 6 weeks. The Bureau of Labor Statistics made an

announcement this morning that affects all of us, but I think it affects the homemakers in the home much more dramatically.

The cost-of-living figure for the month of February was 0.1 percent, which is the lowest increase in 4 years. If you annualize that, that is an increase in the cost of living of 1.2 percent per year. Now, that is great, and we are encouraged by the trend. I am not forecasting that that will inevitably be the trend, but it certainly is indicative of the fact that we are on the right track, and that the handle on the increase in the cost of living is getting firmer.

And I might add, we are also encouraged by the announcement this morning that the new orders for manufactured goods went up 2.4 percent, which is another very sizable increase in things that produce jobs. And with the increase in jobs, the decrease in unemployment, and the better picture as far as inflation is concerned should make all of us, regardless of where we live or what we do, very, very happy.

With that, I will be glad to answer any questions.

Questions

GENERAL REVENUE SHARING

[1.] Q. Mr. President, in the field of revenue sharing, what do you predict will be the outcome of that?

The President. I am slightly encouraged that the House Subcommittee of the Committee on Government Operations is moving on the legislation. I recommended a 5¾-year extension last summer. The present law expires on December 31, 1976. If the Congress doesn't act promptly, many cities, many communities will suffer very, very seriously, and many States will as well.

In the 5-plus years that we have had general revenue sharing, the Federal Government has given to the States and 39,000 local units of government about $28 billion for them to use as they decide at the local level. The extension I recommended would take that up to some $30-plus billion over the next 5¾ years. But the practical problem is that many cities—and I think some States—if this law is not passed by July 1, they can't include in their budgets for the next 12 months, revenue that is not established as a matter of law.

So, Congress has dillydallied for almost a year, and many mayors, many Governors, and many other public officials are deeply concerned that there has been this lack of action.

Any help you can give would be very, very important because otherwise, your communities will not be getting the money that they have gotten for 5-plus years, and they will either have to cut back on services or increase taxes at the local level. And there is no excuse for the delay.

Q. What is your prediction?

THE PRESIDENT. I am always an optimist, but I have been so sorely disappointed in the performance so far that I am very apprehensive. So, we've got to get not only the mayors and the Governors and other public officials pressing the Congress but all of you in your publications can be immensely helpful. Otherwise, we will wake up some morning and 38,000 or 39,000 communities and 50 States will have a potential fiscal chaos on their doorstep.

U.S. POSTAL SERVICE

[2.] Q. Mr. President, as newspaper people, we have a growing concern about the health of the U.S. Postal Service. Can you enlighten us? [*Laughter*]

THE PRESIDENT. Well, I share that concern. [*Laughter*] I share it for two reasons.

We have had a couple of unfortunate incidents recently where material was sent out from the President Ford Committee that had to get to a certain location by a certain time and to a certain place. And I understand there was a misdelivery on one and a long delay on another. [*Laughter*]

I understand the problem, but I also have to look at it from the point of view of how much Federal general funding will go in to subsidize the operations of the Post Office—the Postal Service. The deficit under the current circumstances has gotten over $1 billion, and I have to be careful as to what money we take out of the general fund to put into the Postal Service. And I am very, very concerned about the lack of the Postal Service to meet their operating costs.

It is a tough problem. I believe in the concept, but I think we somehow have to find a better way for them to get the results all of us want. And there are some studies going on in the executive branch, independent of the Postal Service itself and the several commissions or committees that help to manage it.

Believe me, if we can find an answer, we are going to come up with one. We just can't afford to have these kind of deficits on a year-to-year basis.

PRESIDENT'S VIEW OF NEWSPAPER REPORTING

[3.] Q. Mr. President, as long as most of us in this room are in the newspaper business and your daughter, Susan, served on a newspaper in Kansas, how has your opinion of the newspaper business changed?

THE PRESIDENT. I love the newspapers, and I love the people that do the re-

porting, too. [*Laughter*] We get along very well, and I am an avid reader of newspapers, to tell you the truth. I think they do a fine job, and I also think that the people who cover the White House do a fine job. We don't always agree. I like some headlines better than the others, but they have a responsibility and I have one, and I think we understand each one and our respective responsibilities.

ADMINISTRATION'S GOALS

[4.] Q. Mr. President, other than the economic recovery, what would you say is the major problem confronting your administration?

THE PRESIDENT. Of course, the main one is to make certain and positive that we have an economic recovery without reigniting inflation, and I think we are on the right track. And all of the signs indicate that we will make more progress in the months ahead than we have in the months behind us. Other than that, I think trying to get the Congress to move with us on an energy program. We have to do more than has been done. We have to somehow enact legislation that I can sign that will stimulate domestic production.

I saw some figures just a day or so ago that in the month of February the imports of foreign crude oil were at the highest rate in the history of the United States—something over 7 million barrels per day—and it is going up. Now, what does that mean? It means with domestic production going down and a greater dependence on foreign oil, we are really subject to the whims and fancies of other countries. So, we have to move in this area very, very importantly.

Secondly, in the international scene, number one, we have to convince the Congress that the military budget that I submitted in January for the next fiscal year of $112.7 billion be approved with, I hope, every program and every policy that I included, without change. Now that is too optimistic, but at least we are going to fight to prevent the kind of cutbacks and slashes that Congress has imposed on the Defense Department for the last 5 to 10 years.

If we have that kind of a military program, with an improvement in our strategic as well as conventional forces, we can then negotiate from strength for whatever purposes we want, whether it is a SALT II agreement, whether it is in any of the other areas where it is in our national interest. So, if we get that kind of a defense budget through, many of our other problems, both from a national security point of view and from a foreign policy point of view, we will be in good shape.

MINIMUM WAGE

[5.] Q. Mr. President, we have been hearing for the last couple of days in our meetings, about the possibility of the consideration of a $3 minimum

wage with 2½ times the pay for overtime. Knowing your feelings and your activities regarding inflation, would you please comment on that proposal?

THE PRESIDENT. Those recommendations did not come from this administration. [*Laughter*] Those recommendations were generated on Capitol Hill. We are trying to work with the Congress to find an answer. The bill that has been floating around up there, I think, would have a substantial impact in reigniting some of the fires of inflation. So, we are doing our very, very best to find an equitable solution.

The one that I have heard about up on Capitol Hill, in the House and the Senate, would not contribute to a stabilization of our economy. It would, in many respects, be harmful.

FEDERAL GOVERNMENT'S ROLE IN FINANCING PRIVATE BUSINESS VENTURES

[6.] Q. Mr. President, the other day I expressed to Senator Muskie, chairman of the Senate Budget Committee, the urgent need for long-term financing for the middle-level entrepreneur, such as an RFC [Reconstruction Finance Corporation], to stimulate production and employment. What would be your reaction to such a proposal, sir?

THE PRESIDENT. Of course, we do have a number of Federal loaning agencies that do try to help. For example, the Small Business Administration has an important role, but it has a limited scope.

We have two proposals up on Capitol Hill that focus in on two of our major problems, and they relate to the question of energy. One is a proposal for the Federal Government to loan or to guarantee loans in the synthetic fuel area. I think there is a $6 billion proposal in that area.

And then we also have the energy independence agency, which is a proposal of Federal financing of major breakthroughs in the energy field where, at the present time, the know-how, the expertise is not sufficient for the private sector to put up the necessary capital. And the energy independence agency would fill that gap during the interim as they were pushing ahead in some of these exotic fuels. Those two programs have a particular focus on the energy problem.

Other than that, plus the Small Business Administration—and there are several in the Commerce Department that are aimed at helping minority groups—I know of no other proposed Federal financing agency that is either in being or recommended.

Q. Would you concur?

THE PRESIDENT. I am hesitant about expanding the Federal Government's

financing in the general across-the-board financing area. I vividly recall what the RFC did during the depression, but that met the problems of the 1930's, and the circumstances are quite different today.

I think we have to pinpoint where the problem is—small business, minority groups, the energy problem—rather than an across-the-board financing proposal.

U.S. FOREIGN POLICY

[7.] Q. Mr. President, the people of South Carolina are suspicious of the word détente, and I wondered if you would care to comment on whether or not the Secretary of State, or whoever, might be giving away more than we get?

THE PRESIDENT. I think it is categorically untrue that the United States has given away more than we have received. As a matter of fact, we have bargained like good Yankee traders, and wherever agreements have been made the United States has come out well.

I strongly disagree with those who say that the United States has not held its own in any negotiations. As a matter of fact, if you look at where we have moved in foreign policy, I believe by any criteria we are ahead.

First, we have peace, and that is fairly important to most people. Number two, let's take some areas in the foreign policy field. We, of course—and I say we, the United States has played a very major role in the Middle East. We have achieved, working with Israel on the one hand and Egypt on another, a great breakthrough with the Sinai agreement. It was the second step in trying to hold peace in that area, a very volatile, complex, complicated area.

Another dividend that has come because of the trust that Israel and the Arab nations have in the United States is the fact that President Sadat, just earlier this week, cut off almost entirely his relations with the Soviet Union. He is no longer dependent on the Soviet Union for any military hardware. That is a tremendous change for the better, in our opinion, and we, of course, hope and trust that that move of cutting off relations, in effect, with the Soviet Union will be responded to by the United States Government in any efforts that we can make economically and otherwise.

But you can go around the world and the United States is in good shape. And we are in good shape because we are militarily strong; we have achieved peace; we are deterring any aggression that affects our national security.

So, the word doesn't mean anything, but the process is important. And we are going to continue the process, to continue the success we have had in the past.

PROPOSED REFORM OF THE INTELLIGENCE COMMUNITY

[8.] Q. Mr. President, we have heard from Mr. Pike, and we have heard from Mr. Bush about the CIA, and Senator Church [1] has now announced he is going to run for your job. Do you feel that you can reach a viable compromise with Congress so that the CIA can remain effective in a hostile world?

THE PRESIDENT. I proposed, about a month ago, the necessary things that had to be done: one, to continue the CIA and the intelligence community in the United States strong and effective. And also, I have approved the necessary limitations on the agency's efforts as they affect individual rights in this country.

I believe that that proposal that is now in being, with George Bush as the Director, with the legislative recommendations that I have proposed to the Congress, is a good, strong intelligence community program. I hope that the Congress doesn't do things that will harm what we have now achieved.

What the Pike Committee will do—it is going out of business or has gone out of business, and the Church Committee will, I am told, shortly—if they will just approve the several pieces of legislation we have recommended, I think the intelligence community, including the CIA, can do the job that has to be done in peacetime as well as in wartime.

PANAMA CANAL NEGOTIATIONS

[9.] Q. Mr. President, how are the negotiations going in the Panama Canal?

THE PRESIDENT. The negotiations are going on. They have been going on under Mr. Johnson, under Mr. Nixon, and under ourselves. There are some very tough issues to be decided. We have not made progress in a meaningful way. We have a very good negotiator down there, and I can't tell you when there will be any conclusion of the negotiations, because the issues are tough. But let me emphasize and reemphasize that the United States, under this administration, will not do anything to jeopardize the national security of the canal or the operations of the canal.

REPORTER. Thank you.

THE PRESIDENT. Thank you all very, very much.

NOTE: The President spoke at 3:37 p.m. in the East Room at the White House. In his opening remarks, he referred to William E. Branen, president of the association.

[1] Representative Otis G. Pike of New York, George Bush, Director of Central Intelligence, and Senator Frank Church of Idaho.

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Statement on Signing the Drug Abuse Office and Treatment Act Amendments. *March 20, 1976*

I HAVE signed into law S. 2017, amending the Drug Abuse Office and Treatment Act of 1972.

This legislation addresses one of the most serious problems our Nation faces—drug abuse. Drug abuse disrupts lives, causes victims and their families to suffer anguish, and is a major contributor to our growing crime rate. The passage of S. 2017, by voice vote in both Houses of the Congress, gives emphasis to our national commitment to give priority to dealing with this important problem.

A critical aspect of the legislation is that it extends appropriation authorizations for federally funded drug abuse prevention and treatment programs which, for the past 8 months, have been funded under a continuing resolution. My approval of this bill will permit the appropriation of needed additional funds.

I thoroughly agree with the position of the Congress on the importance of a well-coordinated Federal drug abuse program. I have consistently held, however, that such coordination can best be carried out by existing departments and agencies, without an additional agency for that purpose. I also agree that both the Congress and the President need to be kept informed about the problems and progress of this program. The best places to get such information and to seek accountability for progress are the departments and agencies which have direct responsibility and program authority. I intend to use the appropriate department and agency heads for such reporting.

Over the past several months, I have voiced strong opposition to the reestablishment of a special office for drug abuse in the White House. I believe that such an office would be duplicative and unnecessary, and that it would detract from strong Cabinet management of the Federal drug abuse program. Therefore, while I am signing this bill because of the need for Federal funds for drug abuse prevention and treatment, I do not intend to seek appropriations for the new Office of Drug Abuse Policy created by the bill.

NOTE: As enacted, S. 2017, approved March 19, 1976, is Public Law 94–237 (90 Stat. 241).

233

Exchange With Reporters on Arrival at Charlotte, North Carolina. *March 20, 1976*

IT IS great to be in Charlotte again, along with Jim Holshouser and Jim Martin. Saturdays are always nice after you've gotten more good news on the economy like we got last Friday. It must be a Democratic plane trying to drown out that good economic news that we have been getting. [*Laughter*]

But anyhow, the increase in the cost of living was the lowest in 4 years. If we annualize that, it means that it is going to be 1.2 percent for a 12-month period. That is too much to expect, but we certainly are greatly encouraged because, as all of you know, when I came in it was about 12 percent or more. And to get it down to this area, certainly, will have an impact on consumer confidence, and that is a real key to the overall recovery which is well on its way. I think the people in North Carolina will like that good news, just like they have in the other 49 States. So, it is just nice to be here.

REPORTER. Mr. Ford, you have been talking about Ronald Reagan pulling out of the race, yet this trip was relatively hurriedly scheduled. Your trip last week to central North Carolina was changed politically to a campaign swing. Are you afraid Ronald Reagan is going to take your momentum away in North Carolina?

THE PRESIDENT. Well, I think we have momentum on our own, and I have no apprehension that it will be stopped by any forces that I see at all.

Q. Mr. President, do you plan to continue your campaign against Ronald Reagan of asking or pestering him to get out of the primaries?

THE PRESIDENT. I haven't personally suggested, nor have I authorized anybody on my staff to suggest to my opponent that he ought to get out of the race.

Q. Did you suggest it would be divisive to have him continue in the campaign?

THE PRESIDENT. I said it had some potentiality if the campaign continued, but I have not myself, nor authorized anybody on my staff to contact the Reagan people for that purpose.

Q. Do you wish he would get out?

THE PRESIDENT. I really don't care, because our campaign is predicated on going to Kansas City and getting the nomination and that being, of course, the forerunner to a victory in November of 1976.

Thank you all very, very much.

Q. Can you tell us the current status of the Bo Callaway matter? [1]

THE PRESIDENT. I can only tell you that the Callaway matter is where it was a week ago today when Bo Callaway asked to step aside—and I agreed—until the investigation is complete. Until that is completed, there is no change in status, and I wouldn't speculate on what might happen if there was a change.

Thank you all very, very much.

Q. Senator Helms said yesterday that if you didn't fire Mr. Callaway that it could be another Watergate. What is your reaction to that?

THE PRESIDENT. Well, we took the appropriate action with the request by Mr. Callaway for himself to be suspended until the investigation was complete. So, there is just no comparability or connection whatsoever, and any allegation like that is without foundation.

Thank you all very much.

NOTE: The President spoke at 9:05 a.m. at Douglas Municipal Airport.

234

Remarks in Charlotte at a Reception Honoring Representative James G. Martin of North Carolina. *March 20, 1976*

Thank you very, very much, Jim, Governor Jim Holshouser, Charlie and Annie Elliott Jonas, Dr. Martin, distinguished guests, ladies and gentlemen:

It is a great pleasure to be here in Charlotte, and I thank you very much, Jim, for those overly generous words. I can assure you in the months ahead I will do my utmost to live up to those high standards that you have set, and I will give my best efforts to not disappoint you in any way whatsoever.

I was looking at the records the other day, and I have been in Charlotte three times in the last 2 years. The last time I was here was in May of 1975. At that time, Jim Martin assembled 105,000 of his closest friends—[*laughter*]—to meet me at the Mecklenburg County Bicentennial celebration. It was a great occasion, and I enjoyed it very, very much. You gave me a very, very warm welcome at that time, and I certainly appreciated that enthusiastic reception.

But let me say I am especially pleased to be here and have an opportunity to say a few things that I feel very strongly and very deeply concerning your fine Congressman, Jim Martin.

While I am here, I think it appropriate that I say a few words in a salute to

[1] See item 212, footnote 3.

some of the other distinguished guests who are here. First, I think it is a very opportune time for me to wish Jim Martin's mother a very happy birthday, which I understand will take place tomorrow. Mom and Pop Martin are well known in Washington because of their very well-known son. Jim is every bit as proud of you, Mrs. Martin, as I am sure you are of him.

It would be redundant, but I feel so strongly—I want to compliment you on your outstanding Governor, Jim Holshouser. But I likewise would feel it very appropriate for me to compliment you on one of my dearest and finest friends in the Congress, Charlie Jonas and, of course, Annie Elliott.

Charlie and I served on the Committee on Appropriations together for a good many years. And I know what a superb job he did, what a hard struggle he made year after year after year to try and get some sense and responsibility in the consideration of the various appropriation bills, but particularly the Labor and HEW appropriation bills. And believe me, that is not an easy job. So, Charlie and Annie Elliott, it is great to see you.

Let me also put in a good word for Cornbread Maxwell—[*laughter*]—and Lou Massey [1] and the 49'ers of UNC, Charlotte. I wish them the very best.

The Ninth Congressional District of North Carolina has been accustomed to winners, and I can personally vouch for the fact that this district has a great reputation in Washington, D.C., and particularly in the House of Representatives. You don't settle just for a good Congressman, you insist on a great Congressman, and Jim and Charlie represent that.

You sent Charlie Jonas to Washington on 10 occasions, and as I said earlier, he did a superb job. You sent Jim Martin to Washington on two occasions, and let me urge you as strongly as I possibly can that you send Jim Martin back for at least a third term.

I am proud of Jim because I know that he is one of the very strong people that serves in the House of Representatives. And during my 25-plus years there, I had an opportunity to pass judgment on a good many Members of the House. They sort of would come and go like Greyhound buses, as one of our friends used to say. And so I can speak with some authority when I say that you have great representation in Jim, as you did in Charlie Jonas.

Jim, when he first went to the Congress in January of 1973, and from then on, has demonstrated an outstanding capability to deal with issues forcefully, intelligently, and with a great deal of plain old North Carolina common sense. And I think those are great attributes for any person in public office.

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[1] Cedric (Cornbread) Maxwell and Lou Massey, basketball players for the University of North Carolina at Charlotte.

As the first North Carolinian to serve or to sit on the House Ways and Means Committee since 1950 when Mulie Doughton left, Jim has proven beyond any doubt whatsoever that he is a dedicated, powerful advocate of fiscal responsibility in our Federal Government, and I honestly wish that we had a good many more Jim Martins serving in the House of Representatives. I can assure you that my job would be infinitely easier and the country would be far better off.

But, in addition to his duties as a Member of that prestigious Committee on Ways and Means, Jim is also the chairman of a Republican conference committee, or task force, as we call them, on health. And he is seeking through that group to study the problems in the broadest possible sense and to find some answers where we have had difficulties in trying to get the best care and the best arrangement and to stop some of these crazy schemes that are coming from some sources where they want to destroy the doctor-patient relationship. Here they want the Federal Government to actually take over the health of this country and run it, as some would propose, as it is being run and not being run very well in some of the countries in Western Europe.

Now, Jim has an interest in, as I do, in a subject matter in health where I think we have to do something, and I speak here of catastrophic or prolonged illness. Jim takes a slightly different approach to trying to find an answer to that problem than I do, but we have the same goal. And I appreciate Jim's interest and his involvement in this very critical and very serious matter.

Jim knows, as you and I do, that there is no reason people should have to go broke just to get well or to stay well in this great country that we all are proud to be a part of.

Jim is also one of the very few—just a handful in the House of Representatives or in the Senate—who is a scientist in his own right. And, as a result, he recognizes perhaps better than most anybody in the House or in the Senate how serious our energy problem is in this country.

Jim had several amendments to the energy legislation which was considered by the House, amendments which were very significantly important to the State of North Carolina, and, as a result of his efforts, at least some progress was made in meeting your unique problems here. And, of course, because of his role as a scientist and a statesman, he has been able to give special emphasis to the role of research and development in trying to develop some of the exotic fuels that aren't the answer for tomorrow in the energy field, but can and will be in the decade of the eighties.

Jim is also a strong supporter of a program that I think is tremendously important, and I speak now of general revenue sharing.

Back in 1972, I helped to lead the fight in the House of Representatives to get the Congress at that time to approve the general revenue sharing piece of legislation and, incidentally, I intend to fight just as hard in 1976 as I did in 1972 for this legislation. I just wish that the Congress would respond more affirmatively.

As a matter of fact, last year, I think it was in July, I submitted to the Congress a proposal to extend the existing legislation. So far only subcommittee tentative action has been taken. It is unbelievable that the Congress has been so negligent in acting on this legislation, which currently expires on December 31, 1976. Every Governor knows how important that legislation is.

You have to include, Jim, in your budget, the anticipated funding for your next calendar or fiscal year, and, if Congress doesn't act before that budget has to be put together, your Governor and 49 other Governors either have to reduce services or add taxes, and every mayor and every local official—and there are 39,000 of them—are placed in exactly the same position. So, it is vitally important that the Congress move on this legislation. Otherwise, there will be chaos, in my judgment, in 50 State capitals and in 39,000 communities around the country.

Now, let me cite some specific figures—the impact of general revenue sharing. The city of Charlotte has received over $20 million in this program since its inception about 4½ years ago, and Mecklenburg County has received more than $10 million. I recommended a 5¾-year extension of the legislation and, under that legislation during the full term of its existence, Charlotte would receive $31,600,000 and Mecklenburg County, $15 million-plus. And the figures for the State of North Carolina would be greater under the program I recommended than they have received under the existing program.

This is something that we all know has worked well with the Federal Government collecting the money and sending it back to the States and to the local communities with a minimum amount of redtape and a maximum amount of local decisionmaking by the Governors and by the locally elected officials, the people who honestly know what the problems are. I think we ought to encourage this trend of giving the decisionmaking to the people at the local level, and revenue sharing has been probably the most successful Federal program in that regard.

Now, in fighting for general revenue sharing, and in many other legislative efforts, Jim has proven his expertise, his deep commitment to service and his truly outstanding representation here for all of you. Let me summarize by saying Jim is a darned good Member of the Congress, and I hope and trust that you will keep working for him in the years ahead.

That brings me to another incidental reason I am in North Carolina today. [*Laughter*] There is a rumor going around that North Carolina is planning a Presidential primary next Tuesday. I heard about it on the plane coming down here this morning. [*Laughter*]

But let me give you a few reasons or a few pluses concerning the state of the Union, and I will talk about that in the remaining time. Things are really looking up for the United States of America, and we should be very proud of that fact. We should recognize, however, that we have been through some very bad times in America in recent years. There is no denying that. We ought to be frank and honest about it, but there is also no reason whatsoever for us to dwell on it.

I think all of us should look to the future, and that future, as I see it, is filled with hope and expectation, promise and fulfillment. And I can say without hesitation or qualification, I am very, very proud to be an American, and I am proud of America.

In the last 19 months, as we scan that period of time, really great progress has been made in a number of areas under the most difficult circumstances. Today, America is at peace. Today, there are no Americans committed in combat anyplace throughout the world, and I can assure you that I intend to keep it that way.

The best way I know to maintain that is to have what I call peace through strength. And let me say firmly and strongly America's defenses are second to none, and they will continue to be second to none in the next 4 years.

In addition to our military strength, America's economic strength is being steadily restored after the worst recession in 40 years. It is easy to get lost in a sea of statistics when we talk about economics. A simple way to look at it is to recall that 19 months ago, everything that was supposed to be going up was going down and vice versa.

However, today we are headed in the right direction in every possible economic indicator. Thanks to some commonsense policies and the support of people in the Congress like Jim, at the beginning of this recess, and thanks to the determination and courage and ingenuity of the American people, we are working our way out of this recession, and doing it in the right way.

We are on the road to a new prosperity in the United States, and I am not about to take any detours or roadblocks put in the way by a Congress that wants to fool around with our economy in a political and a partisan way.

Unemployment is going down, prices are stabilizing, inflation has been cut in half in the last 19 months. In fact, the Labor Department announced just

yesterday that consumer prices increased only one-tenth of 1 percent in the month of February, the smallest monthly increase in over 4 years, and that is progress by any standard.

On an annual basis, that represents an inflation rate of a little more than 1 percent per year, and that is a whole lot better than the 12 percent that we were experiencing in 1973 and 1974. I won't try to mislead you and say that the news on the inflation front will always be this good in the months ahead. But this new announcement is powerful evidence that we are really getting inflation under control, and we are not going to let down under any circumstances.

There is still some other good economic news. The rate of growth in Federal spending has been cut in half in the budget that I submitted for the new fiscal year.

Charlie Jonas, as I indicated, served with me on the Committee on Appropriations, and we used to go into the budget in detail. He was on several subcommittees; I was on several others. But, he knows, as I know, that for the last 10 to 15 years the rate of growth in Federal spending has been between 10 and 11 percent, much too high. You cannot possibly sustain it, and it is unjustified otherwise. The budget that I submitted for the next fiscal year calls for a reduction in 50 percent of the rate of growth in Federal spending—a rate of 5 to 5½ percent.

If we can get a handle on that rate of growth in this coming fiscal year and maintain that control in the months and years ahead, we can have a balanced budget, and we can have a tax reduction, a sizable tax reduction in 3 years. And that is what we want, and that is what we have to get.

Let me speak of some other good economic news. The last report from the Bureau of Labor Statistics indicated that our total U.S. employment in the month of February was 86,300,000. It reached the alltime peak. The rate of unemployment was still too high, but we made substantial progress in that regard. But the main point is we have gone from the depths of a recession in March or April of last year, where we lost several million jobs, and we have regained every one of those jobs numerically. Our aim and objective, with sound policies, is to continue that progress, and we will.

But one of the most important factors is—and you here in this room represent that—consumer confidence is up, and for good reason. Industrial production is up, housing starts are up, the gross national product is up, real earnings for the average American are also up. In short, just about everything is

looking up for America this year. There is no reason whatsoever that we should change or alter our course, because we have been right.

Obviously, there is more that we ought to do for America, but it ought to be done in the private sector, not in the public sector. We still have our share of problems, but the trends are all in the right direction. Where we have the problems, we have to face up to those difficulties and decide what is the right course, with the emphasis on the private sector.

But it is one thing to admit our problems and another to be hypnotized by them and refuse to see the strength and the resolve and the courage and the confidence and the pursuit of progress which characterizes the American people. The very fact that we have weathered so many difficulties, so many challenges, proves to me that the United States of America is still the greatest nation in the history of mankind.

We have endured shocks to our system and to our people that might have paralyzed a lesser country or a weaker citizenry. But, as I look at the record, we have emerged from these challenges stronger and stronger on each occasion. This is a great country. We are lucky to be Americans, and I don't think any of us would trade places with anybody from any other country.

It seems to me that we should emphasize, instead of downgrading America, the future and the prospects and the benefits. We should emphasize trying to make America an even better country. You and I both want to make America prosperous, and we want America to walk the path of peace.

If I can close with one final comment: I hope that I can get some help and assistance—and I would appreciate it—next Tuesday.

Thank you.

NOTE: The President spoke at 10:12 a.m. in the Alexander Room at the Holiday Inn-Woodlawn. The reception was hosted by the Mecklenburg County Republican Party.

In his opening remarks, he referred to Representative James G. Martin, Representative Charles R. Jonas of North Carolina 1953–72 and his wife, Annie Elliott, and Dr. Arthur M. Martin, Sr., father of Representative Martin.

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Remarks in Charlotte at the North Carolina State Annual Convention of the Future Homemakers of America. *March 20, 1976*

Thank you very, very much, Governor Jim Holshouser, Congressman Jim Martin, Dr. Tripp and, especially you, Ann Cooper, and all of the wonderful Future Homemakers of America, ladies and gentlemen:

It is really a great privilege and a very high honor to have the opportunity to address this great convention of the North Carolina Association of Future Homemakers of America. And, Ann, I wish to thank you for that very beautiful rose that you have just given me as your symbol. As I understand it, the rose represents the search of future homemakers for beauty in everyday living, and you certainly started out by making my day today more beautiful, and I thank you very much.

I intend to take this rose, with all that it represents, back to the White House with me later today. But I am a little concerned about what will happen when I get there. I am afraid that my daughter, Susan, will want to take a picture of the rose and that my 24-year-old son, Jack, and 18-year-old son, Steve, will try to get it from me so they can give it to one of their girlfriends. [*Laughter*]

But to solve the problem without any difficulties, I will give it to the most appropriate person that I know, the finest homemaker that I know—my wife, Betty, and she will really appreciate it. Betty makes the White House, as far as we are concerned, a real home. Her homemaking for 27½ years is fully consistent with your ideas of preserving the great tradition of the American family.

Betty started her career as a professional dancer with a fine group that many are familiar with. When we were married, she added another dimension to her career—that of homemaker. Betty has since told me that she found the homemaking career equally as rewarding as appearing on the stage. She made homemaking for the Ford family a profession. She served simultaneously as mother, cook, interior decorator, chauffeur, telephone operator, nurse, psychologist, and political adviser and, I might add parenthetically, always a helpful critic with always some very good ideas of her own. For that I am deeply grateful. But now that our children are grown, Betty has expanded her horizons as First Lady.

This morning, I happened to see some of your conference material. I noticed that you are being encouraged to discuss such topics as getting along with sisters and brothers and getting along with parents. I don't know where you stand with your sisters, your brothers, and your parents, but there is one thing I have learned this morning, and I appreciate it to no end—you certainly know how to get along with Presidents.

I commend very forcefully the work that you and your teachers are doing to strengthen our homes as well as our families. They are essential to a strong and healthy America. You, as future homemakers, are just as important to our Nation as the men and women who serve in our military forces. To make America a land of happy homes and happy families is patriotic in the best sense of the word. This Nation could not thrive and survive without you.

I regret that some people in this country have disparaged and demeaned the role of the homemaker. I say—and say it with emphasis and conviction—that homemaking is good for America. I say that homemaking is not out of date, and I reject strongly such accusations. Every American who chooses to be a homemaker can take pride in a fine, fine vocation. You should never be embarrassed to say anywhere on the face of this Earth, "I am an American homemaker, and I am proud of it." And then, if you add for emphasis that you are a Tarheel homemaker, you can be doubly proud.

When we think of the Bicentennial and the heroes of some 200 years ago, we think of the Minutemen and George Washington and other men who struggled to win liberty for America. But we seldom hear of Minutewomen and Martha Washington and other women whose contribution to the cause of independence was just as essential. These were the women who maintained a home, who nursed the sick, tilled the fields, fought the fires, prepared the food, repaired the clothes, and even defended the home itself. Modern homemaking grew from a model that must not be forgotten in this Bicentennial Year, and you come from that heritage.

I look to the future and see a very family oriented society in America. I see people becoming more mature, especially in how men and women understand themselves and achieve their fullest human potential. I see freedom without anarchy and with no exploitation of one person by another. I see love and respect nurtured by the family and generated by individual self-confidence. Yes, there will be different styles of living in the new age, but the mainstream will be exemplified by the kind of homes you will make and the families that you will raise.

By building the American home, you are building America. All the power of the Army, the Navy, the Air Force, and the Marines will not deter our enemies if they suspect that the American home and the American family have disintegrated, that our communities no longer function, that every individual cares only about himself or herself.

By joining in such groups as FHA–HERO, you serve America. I thank you, and I congratulate you. You build for tomorrow's dream.

There are new perceptions of life and new discoveries that have transformed homemaking, but one thing has not changed—it still takes a lot of living to make a home. The old values of caring and sharing have not gone out of date. I share your strong belief that every individual counts and that we are all involved in each other's lives.

When you discourage the use of drugs and alcohol, you help yourself and in-

fluence others by your outstanding example. You make it possible for babies to be born healthy into a wholesome climate. Through your knowledge of nutrition and consumer education, you can separate real food from junk food. You can also separate real and enduring values from phony and temporary fads.

Your generation—and we are so lucky—is the most honest, the most open, the most aware in the 200 years of our Nation's history. And as the Governor said, with people like you and organizations such as this, we have nothing but optimistic futures for all Americans.

You think in terms of possibilities rather than limitations. You are the generation who will live the longest with America's rewards, or exist longest with America's burdens. Your fate is in your hands, and I am convinced beyond any doubt whatsoever that your fate is in good hands.

Last week, I attended the anniversary observance of the famous Battle of Guilford Courthouse. It was a great occasion, paying tribute to some heroic people on a plot of historic ground in North Carolina. It was there that North Carolinians fought so courageously in the Revolutionary War.

Today, the commonsense and moderation of North Carolina symbolizes the new realism of the entire United States. I congratulate you not only for your State's historic courage but for the modern North Carolina lifestyle. You combine the best of the present with the finest values of the past, and you have some great values that you should retain from your heritage in North Carolina. You do this with genuine humility, and I can say with conviction that I greatly admire the North Carolina approach.

I am convinced that the decisions affecting your home and your family life should be made right here in North Carolina, and not by some distant Federal Government or anyone else. We must restore the principle of local control by local people. That is what the American Revolution was all about—government by the consent of the governed, and that is why Americans 200 years ago said, "No taxation without representation," and threw tea into the Boston Harbor.

If the Bicentennial is to have any meaning, any real meaning, we must give you, America's future homemakers, a real voice in your own destiny. You live in a State which has been a showcase of progress. Students from many, many places are attracted to North Carolina by your excellent institutions of higher learning.

It is hard to believe that two generations of the Ford family have come here to North Carolina to study. I went to law school one summer at the University of North Carolina and lived in Carr Dormitory—some may know about it—and then during World War II, I served in the Navy at the Navy preflight school in Chapel Hill.

My oldest son, Mike, and his wife, my daughter-in-law, both graduated from Wake Forest, and they think it is a pretty good school. I think so, too.

But the point is that the Ford family shares an affinity with you for the enlightened spirit of your State. The patriotism, the dedication, and the willpower of the Thirteen Original States still burn brightly throughout the Old North State. The Tarheels must be doing something right. I think so, and I congratulate you.

Our challenge, yours and mine, is to foster a new appreciation of the American home, new cohesion in the American family, new moderation in the relationship of government to the governed, and new American strength throughout the world. Together, we welcome our Nation's third century, a century which I hope will emphasize freedom of the individual.

Together, the American people will rise up to the calling of your inspiring motto, "A Past To Honor, A Future To Mold." Together, all of us, 215 million Americans in 50 States, will work together to build a better America for everybody.

NOTE: The President spoke at 11:09 a.m. at the Plaza Level of the Charlotte Civic Center. In his opening remarks, he referred to Dr. Hazel Tripp, State adviser, and Ann Cooper, vice president and president-elect, North Carolina Future Homemakers of America.

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Remarks During a Visit to the President Ford Committee Headquarters in Charlotte. *March 20, 1976*

LET ME just take a minute, if I could. First, let me thank every one of you. I have tried to do it personally, but let me reiterate it and reemphasize it to all of you as a group.

We won in New Hampshire because of the tremendous effort of the people like yourselves. You did the phoning and did all of the other difficult chores. We won, coming from behind. It was a total effort, the basis coming from people like yourselves who were volunteers. We had a great many other people, Members of the Congress, that went up there on their own. We had others who volunteered from various walks of life to go up and give us a hand.

Then, of course, was Massachusetts, where we did extremely well; Vermont, where we were entered and the opposition was not. It all helped to accumulate the position where we are in.

Then we went to Florida and again, according to the campaign manager for our opponent, we were behind 2 to 1—33 percent to 66 percent. But because so

many people in Florida—and I literally mean this—gave their time and made the effort as volunteers, they turned it all around. We again had a broad spectrum of help and assistance. I went down twice. The momentum got going, and we had a very significant win.

Then we went to Illinois last week, and the momentum that had begun in New Hampshire, that had carried through, really gave us—well 59 to 40 percent. That is not bad.

Now, we've got a real test here in North Carolina. Again, the initial forecast was that we were going to lose. I don't think we are going to lose. I think we are going to win. You know, five is great, but six would look even better. [*Laughter*]

But the momentum is definitely in our direction. I can foresee nothing but a real victory in Kansas City as a steppingstone, as a clincher for the victory in November. In the meantime, we have to maximize our individual efforts. We are trying to do that, but as we proceed along, let's make sure, let's make positive we keep the party structure so that we can all work together after Kansas City.

That is of maximum importance. We are the minority party, and we have to solidify ourselves. I think we can, and I think we will. And the net result will be a real triumph on November 2. And that will all come about because you and many like you all over this country have been so generous with your time and so self-sacrificing with every other aspect of your life. We just thank you.

Sorry Betty is not here, but she is up in New York City trying to—well, she called Mayor Beame on his birthday. [*Laughter*] She is trying to get my votes up to her poll. [*Laughter*] But she asked me to say hello to all of you and thank you, as I have, for everything you have done.

Thank you very, very much.

NOTE: The President spoke at 12:57 p.m. at the Park Selyn Building.

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Exchange With Reporters on Arrival at Asheville, North Carolina. *March 20, 1976*

IT IS nice to be here in Asheville in this part of North Carolina. We have had a good day this week, and we had a fine day last week. I can't help but report to you, firsthand, the good news we had again yesterday as far as the economy is concerned—the lowest rate of increase in inflation in better than 4 years, .1

percent, or one-tenth of 1 percent, which is, if you annualize it, an annual rate of increase of 1.2 percent.

That is real progress, and I think the trends—whether it is lower unemployment or higher employment or a better handle and a better grip on inflation—this country is moving ahead, and we are doing it in the right way.

With those observations, I will be glad to answer any questions.

REPORTER. I think you surprised a lot of people when you vetoed the antitrust legislation. Why did you change your mind?

THE PRESIDENT. We haven't vetoed it. It is still in the Congress. It has only passed the House of Representatives, and it is now going over to the Senate for consideration. There were some very undesirable features in the House bill, some of which were amended; some are still somewhat undesirable. But when the legislation gets through the congressional legislative mill, then we will make a final judgment.

Q. Mr. President, Senator Helms went across eastern North Carolina yesterday and said the Bo Callaway incident [1] represented the second major scandal for the Republican Party in 2 years. What is your reaction to that?

THE PRESIDENT. Well, that is a great exaggeration. I take it in the context of a last-minute political charge that I don't think the people in North Carolina will believe. But I understand those kind of charges in this atmosphere.

The truth is that as soon as the information came to my attention, Bo Callaway asked to step aside. We did agree to that. The charges are being investigated. When the full investigations have been completed, why then we will know what to do.

Q. Mr. President, if Mr. Kissinger becomes a liability to your chances of becoming President again, will you consider releasing him or firing him before the next election?

THE PRESIDENT. There is no possibility that our foreign policy will not be successful. We have a successful foreign policy now. We are at peace. We are making headway with our allies, and we are negotiating from strength with our adversaries. So, our foreign policy is in good shape. I think the Secretary of State ought to be praised, and I think our foreign policy ought to be commended.

Q. Mr. President, along that same line, it has been charged that your Secretary of State, Mr. Kissinger, is going to give away the Panama Canal through some sort of secret negotiations now going on. Since that relates to the posture of our hemispheric defense, I would like your comment.

[1] See Item 212, footnote 3.

THE PRESIDENT. Of course, any allegation to the effect that we are going to negotiate away the Panama Canal is just totally inaccurate. Three Presidents—President Johnson, President Nixon, and myself—have been negotiating with the Panama Government following the very serious riots that took place there in 1965, when 30 individuals were killed, including about 10 Americans.

We are trying to negotiate it in a responsible way, but under no circumstances are we going to give away what some people allege. And until we conclude the negotiations, there is no change in the status whatsoever.

Q. Mr. President, an Army staff officer recently said that contrary to Pentagon statements, the Army is in such a state of disarray through lack of sufficient training and necessary equipment—that less than one out of three divisions could be effectively put into the field in an emergency or crisis situation. Is that true?

THE PRESIDENT. That is not what the top people in the Department of Defense say. They, I think, have the responsibility to keep our military forces—the Army, Navy, Air Force, and Marines—in top shape. They are ready; they are alert; they are well trained; they are well equipped. And any allegation to that effect, I think, is inaccurate.

The United States has a national defense program second to none. The United States has sufficient military capability to deter aggression, to maintain the peace, and to protect our national security. So, any charges to the contrary are completely and totally inaccurate.

Q. Mr. President, Governor Holshouser has been criticized by your opponent for using State planes and State facilities in your campaign. Do you condone the use of tax funds for this sort of thing?

THE PRESIDENT. It is my understanding that when there have been meals at the Governor's residence that they have been paid for by the President Ford Committee. Jim Holshouser is an honest, straightforward, very effective Governor, highly supported by the people of North Carolina. So, these are again just purely political charges that don't really have any substance.

Q. Will you reimburse the State for any use of State planes?

THE PRESIDENT. I can't give you that fact, but there is the best witness right there. You know, these kind of charges—they always arise, and people get panicky on the other side. And you just have to roll with the punches, because they don't have any substance to talk about.

Q. Why did you come to Asheville before Governor Reagan showed up?

THE PRESIDENT. I have no idea. We make our schedule. We enjoy coming here. We love the people here.

Thank you all very, very much.

NOTE: The exchange began at 3:18 p.m. at Asheville Mall.

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Remarks in Asheville, North Carolina. *March 20, 1976*

THANK YOU very, very much, Governor Jim Holshouser, Wayne and Orville, and all of you wonderful people from Buncombe County in the mountain area. Gee, it is great to be here, and thank you for coming out.

You know the Ford family isn't a stranger to North Carolina. Let me give you a quick recitation. I went to law school at the University of North Carolina one summer, and for 9 months I was with the Navy preflight school down at Chapel Hill. Then my son, Mike, and his wonderful wife, Gail, graduated from Wake Forest.

But, in addition, during 27 years that I have been in public office in Washington, I visited, time after time after time, the great State of North Carolina, trying to help Republican congressional candidates or senatorial candidates or gubernatorial candidates, trying to help to get good government. And let me say one of the finest efforts that has ever been made—and I can't take credit for it, but I am sure proud of him—and that is Jim Holshouser, your great Governor.

Let me take just a minute and talk to you right from the shoulder, straight talk. This country needs some language that all of us can understand. What we need is somebody in public office who won't promise more than he can produce and produce everything that he promises.

Now, let me take a minute or two to review what we said we would do and what we have done. Let's take in the first instance the economy. Nineteen months ago when I became your President, we were going through inflation at 12 to 14 percent per year. We were on the brink of the worst recession in the last 40 years in this country. We were about to see unemployment soar and employment drop off precipitously. But instead of panicking, all of the American people knew that the right thing to do was to have a firm, steady, constructive course.

The American people didn't buy these quick fixes, these phony proposals that so many wanted to sell around the country, and the net result is that we are on

our way in America to a new prosperity. Unemployment is going down, employment is going up, and the cost of living is getting under control.

Just yesterday we got some more good news out of the Bureau of Labor Statistics. The increase in the cost of living in February was one-tenth of 1 percent, the smallest increase in 4 years.

I can remember back in the spring when everybody was blaming me and the administration because we were in a recession. Well, we knew we would come out of it because the American people had a lot of courage and wisdom, and we knew we would come out of it because we had the right actions to take, and now that we are doing well and everything is improving, they don't want to give us any credit. But I think the voters will because they have more sense than some of those politicians who have been doing all of this talking.

But, you know, gee, last March and April when the clouds were covering the sky and there wasn't much sunshine, about every other day up on Capitol Hill we would hear of some quick-fix formula. They wanted to solve our problems by adding to the Federal payroll not a few, but millions, and they wanted to spend money like it grew on trees.

Well, those aren't the right answers. I call them budget busters, and in the process of trying to send to us down at the Oval Office some of these wild spending programs, I vetoed 46 of them. The Congress sustained 39 and, because I vetoed them, because we had enough people in the Congress who were voting right, we saved the taxpayer $13 billion, and that ain't hay.

But there are also some people in Washington, and I guess around the country, a few who think that the way to do things better is to have the Federal bureaucracy grow and grow and grow; put more people on the Federal payroll to harass you on a day-by-day and a day-by-day basis. I don't agree with that. I think that is the wrong solution. And there is a very serious danger involved in that and, listen, because it is a very fundamental point. These people who want a bigger and bigger Federal bureaucracy and more and more control in the hands of a few all-powerful people never tell you what the ultimate is, and here it is: We should never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

Let me talk for just a minute about something that is very fundamental, I think, to all Americans and something that I understand has a great significance in this wonderful part of North Carolina. There are some people in Washington, not myself, some of the so-called liberals, who want to make every person

who is a lawful owner of a gun register the gun or register the gunowner. I am against it, period.

The way to handle that problem is to make sure that the penalty is strict and that the courts send the people who use a gun unlawfully in the commission of a crime—goes to jail and stays there.

Now, let's talk for just a minute about a couple of things that the Federal Government has to do, must do. Number one, we have some 32 or 33 million citizens in this great land who have reached the age of maturity. They are sometimes called senior citizens. They are wonderful, wonderful older people. Your mother and father, our parents, they brought us up. They have earned the right for an honest, good retirement.

Now, there are some people that want to destroy the social security system. I disagree. We want to make it stronger. We want to make certain, we want to make positive, that the Social Security Trust Fund is there for those who are on retirement and those who are about to retire. And this administration is going to demand it.

Now, there is one other area of responsibility that the Federal Government has under the Constitution; that is, the national security, the defense of this great country. Let me tell you—and I say it very firmly and very strongly—the United States of America today is second to none in military capability, and we are going to stay there. Oh, I know there are some critics who charged otherwise, but I don't really have much faith in those who downgrade America. I think we ought to speak up for America.

Let me say that the Army, the Navy, the Air Force, the Marines are well-equipped, well-trained, alert. They are on the perimeters, and they are doing a great job for us. We should support them, and we do. They are strong enough to deter aggression, they are strong enough to maintain the peace, and they are strong enough to protect our national security. They are great, and we should give them 100 percent support, as we do.

Now, let me talk for a minute, if I might—I understand there is a rodeo in town. Well, sometimes this job, you know, in the Oval Office reminds me a little bit of riding a bucking bronco. But let me tell you one thing—I am not going to get thrown. With your help and support, I will stay in the saddle for 4 more years. While I am there, I will be riding herd on that Congress to get them to do some things right for a change.

But, then, let me take just a minute to talk about this great election that is coming up in the State of North Carolina on Tuesday. Back around January everybody said Jerry Ford was through, he couldn't win the nomination, we were

going to lose here, here, and here. What happened? We came from behind in New Hampshire, and we won. We won in Massachusetts overwhelmingly. We did very well in Vermont. We surprised them and beat them quite badly in Florida, and we walloped them in Illinois.

We have the momentum going, and we need your help on Tuesday to keep that momentum going so we can go to Kansas City and get the nomination, which will be the clincher for a victory on November 2.

Thank you very, very much.

NOTE: The President spoke at 4:12 p.m. at Asheville Mall. In his opening remarks, he referred to Wayne Montgomery, chairman of the Buncombe County President Ford Committee, and Orville Coward, chairman of the 11th Congressional District President Ford Committee.

Following his remarks, the President greeted President Ford Committee reception guests at the Asheville Mall movie theater.

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Remarks on Arrival at Spruce Pine, North Carolina. *March 20, 1976*

Governor Jim Holshouser, distinguished sheriffs, honored guests, all of you wonderful mountain folks:

It is nice to be with you. We got halfway up here this afternoon by helicopter and then this mountain dew kind of interfered a bit. [*Laughter*] So, we had to go back and then drive up here. For the hour and a half, or whatever the time was, that Jim and I were in the car, I learned more about this mountain area than I could have learned anywhere else, because Jim is proud of the fact that he comes from here, and he praises you, he commends you. You are just great people, and I thank you very, very much.

I want to thank these Avery High School Mountain Cloggers. I just wish I could be there a little closer and see all that fancy, intricate footwork and those pretty girls and nice fellows.

I thank all of you for staying out here under the adverse weather conditions. It just makes me feel awfully good. I know that you sacrificed a lot, but I just have the feeling that you are not going to let me down on Tuesday, just like you are here today.

Now, let me take just a minute or two to talk about some of the things that I think are significant.

First, I am not a stranger to North Carolina. Quite a few years ago I went to your great law school at the university. I spent 9 months at the Navy preflight

school at Chapel Hill, and then my son, Mike, and his wife attended and graduated from Wake Forest University. So, the Fords have a lot of connections with the State of North Carolina.

As Jim said, I have traveled a good bit in your great State, trying to help Governors get elected, Senators get elected, Members of the Congress get elected, and also to help in any way I could for the great cause of the Republican Party, which is a good cause and a cause that we should be proud of. It represents the philosophy, it represents the cause that is important as I look down the road for the future of America.

As Jim said, we have gone through some tough times in the last 19 months. When I became President, the cost of living was rising at the rate of 12 to 14 percent. We have cut it in half. As you might have read in the paper, or heard on radio or television, just yesterday we got some great economic news—the cost of living increased at the lowest rate in 4 years. We are on the right track, and we are going to keep going that way.

When I became President, we were right on the brink of the worst recession in 40 years. Economic clouds were dark. Everybody was pessimistic. The doomsayers were predicting all kinds of catastrophe for this country. But we kept a firm, steady hand on the tiller. We didn't panic. We had a good course of action. We had the right kind of plans to keep America strong in the future. And although unemployment went high and employment went down, we ended up with the right trend right now. Employment is going up and unemployment is going to go down, and it is going to get better and better in the months ahead.

Now, let me talk about two of the things that I think are vitally important. There are some people up in Washington who have been trying to sell the idea that the bigger the government got, the better it was for everybody. I don't agree with that. There is no person in Washington who knows all the answers.

Some of the people that have been trying to sell these quick fixes, these patent medicine solutions, are wrong. Let me tell you what we are trying to do under this administration. I have a lot of faith in your locally elected officials, your mayors, your councilmen, your sheriffs, your Governors, your State legislators. They are good people. They can make better judgments, they can make better decisions than some of those bureaucrats that sit behind those fancy desks in Washington, D.C.

So, we are going to send some of the money back to you so you can make the decisions at the local level. We are trying to cut down on the bureaucracy in Washington, get rid of the redtape. I think we can run the Government an aw-

ful lot better. Oh, there are some who want to bust the Federal budget and pile one bureaucracy on top of another. That is the wrong approach.

You know the Congress challenged me a good bit in the last 19 months. They sent down to the Oval Office in the White House a lot of bad legislation. I vetoed 46 bills, almost an alltime record. I was sustained 39 times by at least one-third of the Members of the House and Senate, and do you know how much money we saved by those vetoes?—$13 billion.

If a spendthrift Congress, a budget-busting Congress sends any more big spending bills down to the Oval Office, they are going to be vetoed again and again and again.

Now, let's talk about the affirmative, what we ought to do in government, what the responsibility is of the Federal Government. First, we have an obligation to our older people who are on social security. We have a social security program at the present time that people have paid into, they have earned their retirement, and we are going to keep that Social Security Trust Fund sound.

There are some that have gotten fancy schemes one way or another. I won't get into the details, but I will promise you as your President for the next 5 years that you will have a sound and secure social security program to take care of those who are now on retirement and those who are working and earning their retirement.

But let me say at the same time, the social security program is run well. There are some programs in the Federal Government that aren't any good, and we are going to get rid of them. There are those in Washington who want to pile this bureaucracy on top of another bureaucracy. That is the wrong way to give freedom in America. I am scared that if we go down the wrong path, we are going to lose our freedom in America. And that is as valuable and that is as priceless to us as anything.

Now, let me just say if you put the wrong people in Washington, you have to be fearful that they are going to husband all this power, take it away from you. There is one real fundamental danger that we have to watch, and it is put in about one sentence—just don't forget this—a government big enough to give you everything you want is a government big enough to take from you everything you have.

And now we are at peace. We have the military strength and capability to keep that peace. We have the Army, the Navy, the Air Force, and the Marines that are strong enough to prevent aggression. We have the Department of Defense that is powerful enough to protect our national security and, if I am elected President—as I think we will be—on November 2, I will guarantee to you

that the United States of America will stay strong, will be strong, and will keep the peace in the future.

You know, back in January of this year there were a lot of doomsayers saying or writing or talking that President Ford couldn't make it. And they looked at the polls, and they said, "He never won an election outside the State of Michigan." We went up to New Hampshire; we were behind. We had good people as volunteers; we worked hard; we had good programs. And, by gosh, we won.

Then we went to Vermont and Massachusetts, and we won real well there. Then we went down to the State of Florida, and some politicians down there were saying that President Ford is going to lose 2 to 1. All these doomsayers and pessimists were predicting the worst results. We had a lot of fine people—just like you are—down there in that State of Florida. They went to work. We went down and campaigned. It rained a little bit down there, too, but people came out. We had a lot of enthusiasm, and we won real good.

Then we went up to that area that I come from, the Middle West, and in Illinois we had again some tremendous inspirational leadership. We had lots of enthusiastic people, and we just walloped the devil out of them out there in Illinois. [*Laughter*]

Now we are right here in North Carolina. What are you going to do in North Carolina? As I look over this great, great crowd here tonight that came out and stayed out and are here now, I can look in the eyes of those old people and young people and everybody else. I just know that this mountain area is going to give us a great big victory on Tuesday.

We have five victories. Let's make it six. In North Carolina let's get a real good margin. Betty and I will be watching, and I can't wait to see those results come in because they are going to be good, because all of you, and all of the other people in the great State of North Carolina, they want a winner in November, and I can win.

Thank you very much, Jim. Thank all of you who have come and stayed and are here. Again, I am deeply thankful. I wouldn't let you down and, boy, you haven't let me down.

Thank you very, very much.

NOTE: The President spoke at 6:47 p.m. at Morrison Field.

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Remarks and a Question-and-Answer Session at Lenoir Rhyne College in Hickory, North Carolina. *March 20, 1976*

Jim Broyhill, Governor Holshouser, distinguished guests, and all you wonderful people of Catawba County and this area of North Carolina:

You didn't let me down; you stayed. I won't let you down, I promise you faithfully, for the next 5 years.

I especially want to thank your great Congressman, Jim Broyhill. I understand Jim held the fort here and came out very forcefully and very forthrightly on my behalf. And, Jim, I thank you very, very much for those kind words. Jim was in the forefront when I was a potential as a Vice President. He has been strong and helpful in the Congress, and I thank him very, very, very much.

May I also thank here, at the end of a somewhat long day, my good friend—and obviously your good friend—and your superb Governor, Jim Holshouser, for being out in front, working with me, helping me. Jim, I can't thank you enough.

Over the years, I have been in Catawba County; I have been throughout the great State of North Carolina. In fact, I don't feel like a stranger in North Carolina at all. I went to school here one time for the summer at the University of North Carolina. I was stationed at Chapel Hill in the Navy for 9 months early in the war, and my oldest son and his wonderful wife both graduated from Wake Forest College a couple of years ago.

And as Jim Holshouser and Jim Broyhill know, I have traveled the length and the breadth of this State, trying to be helpful in various political campaigns for Governor, for Senator, for Congressman, for the ticket. And I really feel at home, and I thank you, obviously, for this tremendous welcome. There is no way that I can express my gratitude sufficiently. Quite honestly, I thought maybe we would have a handful here, and I just thank you so much for this wonderful appearance here. And I won't let you down, believe me.

Before we go any further—and I mention this because as I walked into this fine facility, your outstanding football field out there that I, as a former Wolverine had been on the gridiron—let me congratulate you and this school on your own great football team, the Bears.

In football, as in politics, winning always feels real good. [*Laughter*] This area has had so many of the fine qualities I have always liked best about North Carolina, not only Catawba County but Burke, Caldwell, Iredell, Lincoln, and

Alexandria Counties are full of good people. I knew I would mispronounce that one county, but excuse me. [*Laughter*]

You are all as strong and sturdy as those who come from Hickory, and thank you all for coming from those various places.

The mountains of North Carolina are one of my favorite parts of the State. We had a little mountain dew up there at Spruce Pine today, and the ceiling was a little low. We couldn't see some of the tops of them very well. But they had 3,000 people out there who had waited and waited and waited. And I danced with some of those Mountain Cloggers, and can they move their feet. [*Laughter*]

But right here at Lenoir Rhyne College, I can see the same signs of drive and initiative that are typical of your great State. Your president emeritus, Dr. [Voight Rhodes] Cromer, launched a construction program that gave you 13 modern campus buildings. And under the leadership of your own current, distinguished president, Dr. [Raymond M.] Bost, you have almost doubled your college endowment, as well as strengthening and expanding the academic program.

Having had some executive experience myself, let me say that any president would be proud of dynamic progress like that, and I congratulate both Dr. Cromer as well as Dr. Bost.

And as a footnote, let me add we are going to revitalize the United States of America just like they have done it here in Lenoir Rhyne. Incidentally, I know that in 1968, Hickory won the title of an All-American City. I can see that just wasn't a title for 1 year, because the people of Hickory today show the same spirit of independence that has always helped make America a great, great country. That is what helped you to make your remarkable recovery from recent economic problems, and that is what has been helping America to make its recovery as well. We can see the signs of your healthy economy not just in Hickory but in Newton and Conover just as well.

And we can see the signs of America's recovery in each new set of statistics that are released. One piece of good news in those statistics is that housing-starts in February showed a record increase of 27 percent over the previous month. And that is movement in the right direction. That is going to mean a lot more business for your wonderful furniture factories right here in Hickory and North Carolina, generally.

But that is only part of the story. Unemployment is down, and we are going to keep it down. The rate of inflation is down, too—way down. In February—the figures were just announced yesterday—the Consumer Price Index showed

its smallest increase in more than 4 years. The rate of inflation is one-half or more of what it was when I became President, and we are going to keep the pressure on and keep it going down.

The good news for the future is—and this is the crucial, vital statistic of all of them—the confidence of American consumers is up. And we are going to keep it up. America's confidence is up, and that is the crux of the whole matter. I think it is time, quite frankly, with all of this new, good news, that people should start talking about what is good for America.

I stand here tonight and say I am proud of our great country. Our agriculture, our industrial, our economic might is second to none, and so is our ability to defend it from any aggressor. I don't believe that those who are downgrading America's military capability are fully acquainted with the facts.

The facts are: The United States of America is strong; it is capable of deterring aggression, of meeting the challenges from any source; it is capable of giving us total national security under any circumstances. And I am sick and tired of those who are downgrading America, whether it is our economy or our military capability.

You know, I didn't believe them when a few people up in Washington on the liberal side of the political spectrum—when they said we needed a lot of government interference to get out of the recession. In contrast, I charted a steady, constructive course. I pursued a balanced policy with tax cuts to help people spend and incentives to help the business community to grow, expand, and create more and more jobs.

To fight inflation, I fought to keep a tight control on Federal spending, control those who would bust the budget. I used my Presidential veto; in fact, I used it 46 times, and it was sustained 39 times. In those 39 instances where the Congress sustained those vetoes, the American taxpayer was saved $13 billion, and that is not bad.

That is real progress by any standards, and if the Congress keeps sending down to the Oval Office of the White House those reckless spending bills, I will veto them again and again and again until the big spenders up on Capitol Hill finally get the word. They are a little slow, but they might finally get it.

Now, we are going to hold down the cost of living—let's be practical—by holding down the cost of government. We are going to make sure that your tax dollars work as hard for you as you did to earn them. We are going to keep a balanced approach.

Here in Hickory, I know you appreciate what that means, because your motto, as I understand it, is the "Best Balanced City." And I think that motto applies

not only to your city but to your whole State. North Carolina is one of the best balanced States of all the Union. It is a State with mountain ranges, ocean beaches, with industry as well as agriculture. It is a great State to work in, a great State to relax in, and a great State to live in.

Well, I like a well-balanced approach as well, like the Federal budget. And we can balance the Federal budget by 1979, and we will balance it by 1979 with your help and, incidentally, with the help of the Congress. Quite frankly, that would make possible further major tax cuts. What we really want to do is put more money back into your hands for you to spend for the purposes of your family and your future.

I happen to believe, also, in a balance between Federal and local government that will give more freedom to your State and to your local authorities, not hundreds of miles with the authority up in Washington, D.C., where the people don't understand the problems of Hickory or Catawba County or the other counties that are represented here. I believe we should strike a new balance between Government responsibility and private initiative, a new balance between those who pay taxes on the one hand and those who benefit from taxes on the other. To me, balance means stability, and stability means a firm foundation for the future of the United States of America.

In fact, there is only one place I don't like an even balance, and that is in election results. [*Laughter*] I like to see solid victories, the same kind of victories, that put men like Jim Broyhill and Jim Martin and Jim Holshouser to work for you in the State government or in the Congress, the same kind of solid victories that we have won in the last few weeks in New Hampshire, Vermont, Massachusetts, Florida, and Illinois—five times in a row—and the same kind of solid victories we are going to keep on winning and winning from March 23 right on through November 2, 1976.

I am asking for your help to make sure that we keep up this momentum, to make sure that we keep a realistic, responsible government, a government that promises only what it can deliver and delivers everything that it promises. That is my trust to you. I am asking for your help so that we can work together to build an even greater America. And I am asking you here in North Carolina to give me your support, because when a Tarheel decides to do something, it sure gets done.

Thank you very, very much. And now, I will be glad to respond to the questions, but I sure wish we were going to have one of those Balls Creek fish fries so I could get some dinner. [*Laughter*]

Okay, who is number one here?

QUESTIONS

VICE-PRESIDENTIAL RUNNING MATE

[1.] Q. Mr. President, it is clear that you are going to be the Republican nominee for President. And I was wondering, what are the chances of us seeing Governor Holshouser on that ticket with you? [*Laughter*]

THE PRESIDENT. As I have said before in North Carolina and elsewhere, Jim Holshouser is one of my best friends. I have known him a long time. I know he is not only dedicated to the principles of the Republican Party and has been a great Governor here in the State of North Carolina, and I have said very forthrightly that in the new administration, we want him on the team. But I think it is premature for me to make any categorical announcement here about my running mate.

I can just tell you that we want Jim Holshouser in Washington helping us to do a better and better job after January 20, 1977.

Q. Mr. President, speaking of running mates, would you consider having a woman as a running mate this year?

THE PRESIDENT. I had better say yes, or I will get run out of the house when I get home tonight. [*Laughter*]

As a matter of fact, I have answered that question affirmatively in the past, because we do have some extremely talented, able women, such as the Secretary of Housing and Urban Development, Carla Hills, and others. So, I really would say yes. But again, it is premature to make any categorical determination.

PRESIDENT'S GOALS FOR AMERICA

[2.] Q. Mr. President, this is my question. For our 200th birthday, we have been studying how our country has changed. What do you think our country will be like when I grow up?

THE PRESIDENT. For the benefit of those who might not have heard the question, the young lady asked what will the United States of America be like when she grows up?

I can't be specific; I can only tell you what I hope this country will be like. In the first century of America's history we developed the greatest kind of government in the history of mankind, where people had a right to participate and to control the government, not the government control them.

In our second century, we developed the greatest industrial base in the history of any country in the world. It gave us all the material things that we have.

What we ought to strive for, and what I hope takes place in the third century, is that we can have that century of freedom for the individual.

This is what we should concentrate on. We should free ourselves and this country from mass government, from mass industry, from mass labor, from mass education. The emphasis in the third century, when you grow up, ought to be on individual freedom so that you, as a person, and the 215-plus million like you, in a few years, will feel that they are not oppressed by the mob, but they have a right and an opportunity to utilize their own talents, their own desires, their own ambitions, and their own dreams.

MISSING IN ACTION IN SOUTHEAST ASIA

[3.] Q. Mr. President, what are you personally and your administration in general doing on behalf of our MIA's in Southeast Asia?

THE PRESIDENT. The question is, what am I doing or the administration doing on behalf of the MIA's who are in Vietnam, either in South Vietnam, North Vietnam, Laos or Cambodia?

In the first place, we have continued working in every way possible with the North Vietnamese Government, which is the controlling governmental power in that part of the world. They are not a very flexible group of individuals. They, of course, allege that they would be more helpful if we would take away the trade embargo, if we would recognize them, if we would do a lot of other things. We will continue to work to try and get their cooperation, and I have worked closely with the congressional committee that went over and talked to the top people in the North Vietnamese Government.

I can simply say that we will keep pressure on them, as we have, but we must be certain that we do not capitulate to a government that has broken its word every time we have ever made a deal with them. We can't trust them. We shouldn't trust them. We have to make sure that there is a bona fide quid pro quo. We want our MIA's back. I hope we can. But it is a very delicate situation.

I can simply promise you that we will continue our efforts and will do our best, but we are—quite actually and quite frankly—dealing with a bunch of international pirates.

WATER QUALITY

[4.] Q. President Ford, I want to thank you for appearing in our city. I believe you are the first President in modern times to do so. We appreciate it.

President Ford, business and government, the Federal bureaucracy, the burden of Federal bureaucracy is almost unbearable. City managers, Governors, county managers spend most of their time working for the Federal Government.

One agency that is almost strangling to death in its own redtape is EPA [Environmental Protection Agency]. Ours is a State of beautiful streams and lakes, and many of our rivers are becoming open sewers for the lack of sewer plants. Here in Hickory, we have done everything a small city can do. We have passed a bond referendum several years ago. They asked for study after study, and we are just getting nowhere, it seems. We are polluting our lake and our rivers here, and that condition exists everywhere, nearly.

If there is something you could do to get EPA to release some money for sewers to improve our water quality, it might be the best thing we could do in America.

THE PRESIDENT. Let me answer it this way: I obviously don't know the facts in their entirety, but I can give you some factual information that is a matter of record. EPA has all the money it can spend. There is no limitation on it. As a matter of fact, in the fiscal year budget for 1977, they will spend roughly $6,900 million all over the United States. There is no excuse whatsoever as to a lack of money, none whatsoever. So I don't understand what the problem is.

I can assure you that I will work with Jim Broyhill. It is incomprehensible to me, because money is not the problem. Isn't that right, Jim? Jim says it is redtape. Well, if it is, we will cut some, and we will get that taken care of.

U.S. FOREIGN POLICY

[5.] Q. I can't tell you how happy I was when I heard you say a little while ago that America can defend itself. I am really sick and tired of these Communists pushing us around. I tell you what really burns me up is when these Cubans think they can push us around in all these places like Angola and Africa. And I want to know what your ideas are, your policy is to contain the Communists and all these enemies of ours?

The media keeps bombarding us with all these things, like NATO is falling apart, the Communists are taking over in Italy, and all this stuff. And young people like me—we just get so pessimistic. And they are even getting on Dr. Kissinger. And we just don't know what to think, and people get so pessimistic. So, just tell me, what can you do with this mess?

THE PRESIDENT. Let me answer that question very specifically. You should be optimistic, not pessimistic, because the United States is the leader in the world, whether it is economically or whether it is militarily.

And may I add this: The only place that the Communists have made any inroads are when the Soviet Union and Cuba went into Angola. In that case, I, as President, and Secretary of State Kissinger said to the Congress, we have

a plan that will stop them. We have a plan that, if the Congress will approve the money—$28 million—we will be able to take two Angolan groups that form the majority of the population of Angola, and they will be able to gain control against the Soviet-Cuban backed group.

But when the Congress turned us down, wouldn't give us the money, we couldn't support the two factions that could have won, and communism, whether it is Soviet Union or Cuba, wouldn't be in there today. That is unforgiveable, but that is the fact.

Now, let's take a minute. We have told Castro—and these were measured words—that he, under no circumstances, should undertake any adventures either in Latin America or elsewhere, because we were going to take appropriate action. If we do—and I think we have to—I hope the Congress will back me better than they did in the case of Angola. We've got to get the Congress to come along with the people and with the President.

And let me quickly tell you why you should be optimistic in general. Our alliances with the NATO countries have never been better. Our relations with Japan are the best in the history of the United States. Our relations in the Middle East have been such that the United States of America could take a leading role in bringing Israel on the one hand and Egypt on the other to a very significant negotiation that kept the momentum for peace in the Middle East moving. No other country in the world could have taken that leadership except the United States.

We could go around the globe, and I could give you other illustrations that would show, beyond any question of a doubt, that the United States is respected in the world. The United States is a leader in the world. And these people who go around downgrading our reputation, our credibility, our effectiveness, unfortunately, don't know what they are talking about.

PRESIDENT'S VIEWS ON SCOUTING

[6.] Q. Mr. President, this is my question. Mr. President, I understand that you were an Eagle Scout. What role has scouting played in your life, and how can scouting help benefit the American boy?

THE PRESIDENT. I was an Eagle Scout. I am proud of the fact that I was an Eagle Scout, and I am proud of the Boy Scouts of America.

You know, the Scout oath, the Scout laws are the best guidelines I know to give you the right direction in school, in marriage, in your career, to make your life happy and prosperous. So, if you live up to the Scout oath and the Scout

laws, you are going to make it. I can just tell you, you can't go wrong. Good luck to you.

CONSUMER PROTECTION AND ANTITRUST LEGISLATION

[7.] Q. Mr. Ford, in recent months you have made two crucial decisions on consumer affairs: one, your threatened veto of the agency for consumer protection, a nonregulatory agency which would have provided legal representation for consumers before regulatory agencies; and, two, a story which just came out this week, that you have apparently reversed your position on a bill currently before Congress which would permit State attorneys general to represent consumers in Federal antitrust cases.

Would you please explain your apparent reluctance to place consumer representatives on a more equitable footing with industry representatives before both regulatory agencies and in antitrust litigation?

THE PRESIDENT. Well, let me answer the first one first.

We hear continuously that we ought to reduce Federal interference, that we ought to cut down on bureaucracy, we ought to get rid of one bureau after another. Under the consumer protection agency legislation you are talking about, we would add another one, another layer.

And that agency, if it had been approved by the Congress—and it hasn't yet, and I hope it won't—if that legislation were to go through, you would have that group in that independent agency interfering with the orderly processes in every agency of the Federal Government today. If you think things are slow—and that gentleman was talking about redtape—the consumer protection agency would slow it down 100 percent more.

Now, Jim Broyhill knows more about that legislation in the Capitol, because you are on that committee, aren't you, Jim? But Jim is an authority on the legislation. It is bad. It would have added to redtape, added to bureaucracy, and it cannot be justified.

Now, what we have tried to do—which I think makes a lot more sense—we have told every Cabinet officer and every other administrative officer that in each Department there should be a consumers subdivision, so that if a consumer has an objection to a ruling or a regulation of that Department, that complainer can go to that agency and get an opportunity to get a fair hearing. I think that is a better solution than adding more bureaucrats and another bureau in Washington, D.C.

Now, on the other one, it is called the parens patriae bill. It was legislation first approved in May of 1974, by the previous administration. It never came to

my desk until, about 10 days ago, the Republican leader in the House of Representatives called me and said, "Are you familiar with this legislation?" I said, "No, it has never been called to my attention."

We went back and checked the records. The Department of Justice had continued with the same recommendation that was approved by the previous administration without any additional consultation with me in the White House.

When I got into it, what did I find out? In the first place, it would have deputized every State's attorney in North Carolina, Michigan, elsewhere—to undertake on their own, class actions to allegedly enforce antitrust legislation. I don't think States attorneys general should be seeking to enforce U.S. Federal antitrust legislation. That is the responsibility, as I see it, of the Department of Justice.

Secondly, since I have become President, I recommended higher penalties, both criminal and civil, for violations of our antitrust laws. Congress passed that legislation. In the budget for the next fiscal year, I recommended 25 more antitrust lawyers in the Department of Justice, because we want the laws on the books fully enforced, and they will be. But it ought to be done by Federal authorities, not by attorney generals of various States who would use that as a political steppingstone for their own political ambitions.

PRESIDENT'S VIEWS ON THE CHALLENGES OF THE PRESIDENCY

[8.] Q. Mr. President, I have had the privilege of talking to three Presidents before in my life: you, General Eisenhower, Woodrow Wilson, and—let's see, I can't remember the other name.

THE PRESIDENT. Teddy Roosevelt?

Q. Well, three besides you. And I think you are the greatest President we have ever had in the United States. Also, I have a boy named Gerald. He made straight A's in high school and grammar school for 12 straight years.

THE PRESIDENT. He did better than I did. [*Laughter*]

Q. He was a quarterback; he weighed 260 pounds. He played end; he played fullback. He starred in baseball and basketball. And I asked him one day, I said, "Gerald, what do you want to be when you grow up to a grown man?" He said, "I want to be President of the United States." I said, "Well, if you go to school long enough, you might be one." So, I sent him through school.

I said to him the other day, I said, "Gerald, how would you like to be in President Ford's place?" He said, "No, I don't want that. That is too much work for me." Well, he has got a job as traffic manager for Singer Industries in Lenoir, and he looks after a fleet of truck lines and also railroad cars and

everything, and he comes in cussing every night about how hard he has to work.

Also, I want to ask you why you like to be President so good and when do you ever plan to quit and rest some? [*Laughter*]

THE PRESIDENT. I like the job of being President, because I like the challenges that come across that desk every day. I like the challenge of working on problems, whether they are domestic or international. I like the opportunity to serve people and to do what I can to improve the lot of America, both at home and abroad. It is a great challenge. I have always responded to challenges, and every working day is a better day, and I think every working day is going to be better.

Thank you very much.

Q. There is one more thing I want to say. I got to thinking about you yesterday, so I made a piece of antique furniture and brought it to you. And when you get tired of going all over the United States and working yourself to death, I want you to take a rest. I brought you a big chair with a hard rock bottom, and it has a back in it where you can lay your head back and sleep up a storm—[*laughter*]——

THE PRESIDENT. Thank you very, very much, sir.

Q. ——and get shaded with a big tree over the top of it. I wish I could bring it out and show it to the crowd of people.

THE PRESIDENT. Thank you very much.

PRESIDENTIAL DECISIONS AND PUBLIC OPINION

[9.] Q. What have you done because of a strong personal belief that you thought might have opposed public opinion?

THE PRESIDENT. The question is, what have I done where I had a strong personal conviction where I recognized that there was substantial or majority opposition on the part of the public?

Probably the one that is most recent is the initial reaction to the decision that I made to support the two elements in Angola. I don't think that was a popular decision at the time, but I think now that the public recognizes the consequences—that Cuba sent 12,000 mercenaries into Angola and the Soviet Union now controls that very rich country—I think the American public wishes we had made that investment. But at the time I knew it was right.

There was a great similarity—and this is important—in the 1930's, the United Nations did not respond when Italy went into Ethiopia. That didn't seem very significant. It didn't seem like it was anything that related to Western Europe or to the United States. But most historians will agree, that if the League of Na-

tions at that time had moved in and stopped Mussolini from moving into Ethiopia, a lot of the potential problems of World War II never would have materialized.

Now, the circumstances are not identical, but there is enough similarity that we ought to learn from history. And I felt at the time that we should have acted, and I believe there is a growing sentiment that we should have done it.

But a President has to make some decisions that are not always popular, as long as he thinks they are right. And I can assure you that I will do what is right and, hopefully, have the backing of the American people.

SCHOOL BUSING

[10.] Q. Mr. President, my question is, how do you stand on school busing?

THE PRESIDENT. I have had the same position for the last 10 years, so it is not something that has been developed in relationship to this Presidential campaign. I have never believed that court-ordered, forced busing was the best way to achieve quality education.

I firmly believe that our goal should be quality education. I firmly believe that we have to make certain that the constitutional rights of people are upheld. In other words, we can't just have segregation in our public schools. But, there is a better way to get quality education and to achieve desegregation than by court-ordered, forced busing to achieve racial balance.

As Jim Broyhill knows, I have vigorously, from the beginning, said we've got to find another answer. And I can assure you that the pressure that we have exerted across the board is getting some better results today than we got 5 years ago in some of the decisionmaking process.

Let me conclude by just thanking all of you. It has been a long night. I have enjoyed the opportunity to see so many of you, to respond to your questions. I ask you again, I would most gratefully appreciate your support next Tuesday.

Thank you very much.

NOTE: The President spoke at 9:30 p.m. in the gymnasium.

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Statement on Signing Two Conventions Concerning Political Rights of Women. *March 22, 1976*

I AM pleased to have the opportunity of signing the Inter-American Convention on the Granting of Political Rights to Women, signed in Bogota in 1948, and the

Convention on the Political Rights of Women, signed by the United Nations General Assembly in 1953.

Our ratification of the 19th amendment to our Constitution in 1920 granted women in this country equal voting rights with men. The ratification of these two conventions serves to underscore our firm dedication to the principle of equality of political rights for women. Indeed, the Preamble to the Charter of the United Nations to which our Nation and others subscribe provides that we "reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small."

International Women's Year, 1975, has just concluded. We have now entered the United Nations Decade for Women, as adopted by the 30th General Assembly of the United Nations. This decade, 1975–85, will provide an opportunity to put into action the recommendations and suggestions resulting from IWY. This will serve as an opportunity for effectively measuring our commitment to continuing the advancement of the status of women. It is highly appropriate that the ratification of these two conventions by the United States Senate took place during the beginning of our Bicentennial Year.

242

Statement Announcing Plans for a White House Conference on Handicapped Individuals. *March 22, 1976*

AT THE request of the National Planning and Advisory Council to the White House Conference on Handicapped Individuals and the Department of Health, Education, and Welfare, and with the authorization of the Congress, I hereby declare that the White House Conference on Handicapped Individuals shall be held in spring 1977.

A spring 1977 Conference is strongly supported by many of the States and by various organizations for the handicapped. This will allow the States time to plan their conferences properly and involve more people, especially the handicapped. This should contribute to a better National Conference.

I feel that this involvement is important. As I said when I announced the Conference last November, a major purpose of this Conference is to generate a responsive national awareness of the problems facing the handicapped. Concern for the handicapped should not be limited to the Federal Government. State and local officials and private citizens as well, must turn their attention to the needs

of the handicapped. The private sector can perform a creative role by contributing its talents and resources.

The White House Conference on Handicapped Individuals is a very important occasion which should contribute significantly to the health, education, and welfare of handicapped individuals everywhere.

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Remarks Upon Receiving the Masonic Medallion From the Grand Lodge of the District of Columbia Masons. *March 22, 1976*

LET ME say, Worshipful Layton, distinguished officers of the Grand Lodge, and honorable past Grand Masters, that this is a wonderful, wonderful thought on your part, and I am most grateful for being included with the father of our country on this silver medallion.

I, of course, have a very special allegiance to the lodge here in the District of Columbia because although I started back in Grand Rapids, because I was in Congress it was not possible for me to participate, and as a result the brothers here in the District of Columbia were very helpful, and I actually got my degrees here in Washington, D.C. So, I thank those that participated, and I am highly honored to have had the opportunity here in the District of Columbia.

You noted that I am the 14th President that belonged to the Masonic fraternity. I also noted that some 19 Vice Presidents also belonged to the Masonic fraternity plus innumerable hundreds and maybe thousands of Members of Congress over the years have likewise been a part of our fraternity. I can't, of course, tell you how many judges and other high public officials have already been a part of what we hold so dear.

It was also significant, I thought, that some of the original or some of the signers of the Declaration of Independence, Benjamin Franklin, John Hancock, Paul Revere and, of course, George Washington, and perhaps others—I don't recall any of the others—were signers of the Declaration of Independence which is, of course, a very basic document in the establishment of our concepts, the establishment of our Government.

I know Masonry has contributed over the years, the length and the breadth of this country, a great moral spirit that has helped significantly in the building of America. They have done it for two centuries. I am told that there were only

about 3,000 Masons at the time this country was formed, 3,000 out of some 3 million who were in the Thirteen Colonies that made America.

Well, Masonry has contributed in the 200 years. I am confident it will do likewise in the third century and longer than that. So, I thank you for the honor, Worshipful Layton. And I thank all of the members, and particularly those who are here today, for their coming to the White House to participate in this ceremony.

Thank you very, very much.

NOTE: The President spoke at 12:24 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to John B. Layton, Grand Master of the District of Columbia Masons.

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Remarks Upon Signing a Special Message to the Congress on Fiscal Year 1977 Budget Requests and the Creation of an Office of Science and Technology Policy. *March 22, 1976*

Dr. Stever and distinguished scientists from both the private as well as the public sector:

This is a great occasion, and I am delighted to participate in the signing of these two messages.

Since its beginning, America has derived great, great benefits from the inventiveness and creativity of its people. From Benjamin Franklin's first experiments with electricity to the most recent discoveries in space-age medicine, research and development have been crucial elements in our Nation's remarkable growth. They have never been more important than they are at the present time.

Science and technology are daily becoming more and more vital for the peace and security of our country and for the world at large. It is no exaggeration to say that the future well-being of our Nation depends on putting our best minds to work now to solve the problems of tomorrow.

In recent years we have made major investments in research and development and this investment has paid rich dividends in economic growth, in the quality of our lives, and in the strength of our defense, but we must do more.

The budget which I recently submitted to the Congress in January of this year is one measure of the importance that I personally attach to a continued national investment in science and technology. In it, I requested $24.7 billion for

research and development activities, an increase of 11 percent over the current fiscal year.

It focuses very special attention on research and development for energy and defense and our basic research. It continues or increases support in agriculture, space, health, as well as other areas that show promise in meeting the challenges that we face.

At the same time, we must make sure that we have scientific and technological expertise at the highest levels of government. To do this, I have submitted legislation to establish an Office of Science and Technology Policy in the Executive Office of the President.

It is vital that the Congress act promptly and positively on this proposal and on my 1977 fiscal year budget recommendations. Let us make certain that science, engineering, and technology will continue to play a very major part in assuring our future strength and prosperity.

It is a pleasure now to sign the message to the Congress and hopefully—and I think we have good reason to believe that Congress will act on this legislation and the office will be established as soon as the legislation has been signed into law.

Thank you very much.

NOTE: The President spoke at 12:41 p.m. in the Cabinet Room at the White House. In his opening remarks, he referred to H. Guyford Stever, Director, National Science Foundation.

245

Special Message to the Congress Urging Approval of 1977 Budget Requests and the Creation of an Office of Science and Technology Policy. *March 22, 1976*

To the Congress of the United States:

The desire and the ability of the American people to seek and apply new knowledge have been crucial elements of the greatness of our country throughout its 200-year history.

Our Founding Fathers placed high value on the pursuit of knowledge and its application. They supported exploration, new methods of agriculture, the establishment of scientific societies and institutions of higher learning, measures to encourage invention, and means to protect and improve the Nation's health.

In our recent history, the Nation has made major investments in research and development activities to ensure their continued contribution to the growth of

our economy, to the quality of our lives and to the strength of our defense. Today there is mounting evidence that science and technology are more important than ever before in meeting the many challenges facing us.

I fully recognize that this country's future—and that of all civilization as well—depends on nurturing and drawing on the creativity of men and women in our scientific and engineering community.

The 1977 Budget which I submitted to the Congress on January 21, 1976, is one measure of the importance I attach to a strong National effort in science and technology. My total budget restrains Federal spending to $395 billion—an increase of 5.5 percent over 1976. But my Budget requests $24.7 billion for the research and development activities of the various Federal agencies, an increase of 11 percent over my 1976 estimates. Included within this total of $24.7 billion is $2.6 billion for the support of basic research, also an increase of 11 percent. Such long-term exploratory research provides the new knowledge on which advances in science and technology depend. I urge the Congress to approve my budget requests.

I also urge the Congress to pass legislation to establish an Office of Science and Technology Policy in the Executive Office of the President. This will permit us to have closer at hand advice on the scientific, engineering and technical aspects of issues and problems that require attention at the highest levels of Government.

On June 9, 1975, I submitted a bill to the Congress that would authorize creation of such an office. The director of this new office would also serve as my adviser on science and technology, separating this responsibility from the many demands of managing an operating agency. On November 6, 1975, the House of Representatives passed an acceptable bill, H.R. 10230, which authorizes the new office. On February 4, 1976, the Senate passed a similar bill which, with some changes, would also be acceptable. Those bills are now awaiting action by a House-Senate Conference Committee. Early agreement by the conferees on a workable bill will permit me to proceed without further delay in establishing the Office of Science and Technology Policy.

In addition to its direct support of research and development, the Federal Government has a responsibility to ensure that its policies and programs stimulate private investments in science and technology and encourage innovation in all sectors of the economy—in industry, the universities, private foundations, small business, and State and local Governments. We pursue this objective through our tax laws, cooperative R&D projects with industry, and other incentives.

Industry and other elements of the private sector now support nearly 50 percent

of the Nation's total research and development effort and we must avoid displacing these important investments.

The role of industry is particularly important. In our competitive economic system, industry turns new ideas from laboratories into new and improved products and services and brings them to the marketplace for the Nation's consumers. Industry has built successfully on advanced developments of the past and provided new products and services of great economic and social value to the Nation. This can be seen in electronics, computers, aircraft, communications, medical services and many other areas.

My 1977 Budget gives special attention to research and development for energy and defense and to basic research. It also continues or increases support for other important areas such as agriculture, space, and health where research and development can make a significant contribution.

—In *energy,* an accelerated research and development program is vital to our future energy independence. My 1977 Budget proposes $2.6 billion for energy research and development—a 35 percent increase over 1976. These funds, together with the efforts of private industry, provide for a balanced program across the entire range of major energy technologies. Major increases are proposed in energy conservation to achieve greater energy efficiency. Additional funding is provided in fossil fuels to enhance oil and gas recovery, to improve the direct combustion of coal and to produce synthetic oil and gas from coal and oil shale. Expanded efforts are planned in 1977 to assure the safety and reliability of nuclear power and to continue the development of breeder reactors which will make our uranium resources last for centuries. My 1977 Budget also provides for rapid growth in programs to accelerate development of solar and geothermal energy and fusion power.

—In *defense,* a strengthened and vigorous program of research and development is absolutely fundamental to maintain peace in the years ahead. Our National survival depends on our continued technological edge. The quality of our military R&D program today—and decisions on its scope and magnitude—will directly influence the balance of power in the 1980's and beyond. Obligations for defense research and development will increase by 13 percent in FY 1977, to almost $11 billion. In the strategic area, the defense R&D program provides for continued development of the Trident submarine and missile system and the B–1 bomber. We are providing increases for cruise missiles and for defining options for a new inter-continental ballistic missile system. For our tactical forces, we will pursue a number of major programs ranging from the F–16 and F–18 fighter aircraft to a new attack helicopter, improved air de-

fense systems, and a new tank. In addition we will strengthen our military-related science and technology effort. The combat potential of new technologies such as high energy lasers will be actively explored.

—Through *basic research,* new knowledge is achieved that underlies all future progress in science and technology. My proposed budget provides an increase of 11 percent over my 1976 estimates to assure that the flow of new scientific discoveries continues. Since much of the Nation's basic research is carried out at colleges and universities, I have given special emphasis to the budget request for the National Science Foundation and other agencies that support research in these institutions. I have requested an increase of 20 percent in NSF's funding for basic research in order to underscore my strong support for such research, particularly in colleges and universities.

—In *agriculture,* improving the efficiency of American food production, is vital to our National well-being and to help ease critical worldwide food shortages. My Budget provides over $500 million for agricultural research including programs to increase crop yield, improve the nutrition and protein content of crops, and help find new and safer ways to protect crops from the devastating losses which are caused by pests and bad weather. Matching State funds for research at land-grant institutions will contribute an additional $400 million to the national effort. Within the agricultural research program, greater priority will be given to basic agricultural research which is the key to our longer range objectives in food production. Our agricultural research and research undertaken by others around the world can have a major effect on the world food situation for generations to come.

—In *health,* basic and applied medical research provides new knowledge about causes, prevention and cure of diseases. This knowledge will make it possible to reduce the toll of human suffering, reduce expensive medical treatments, and increase the general level of health of our people. For the Department of Health, Education, and Welfare alone my Budget requests over $2.2 billion to pursue new scientific opportunities relating to cancer, heart and lung disease, arthritis, diabetes, and behavioral disturbances. It will also continue research in emerging areas of National importance such as immunology, aging, environmental health, and health services.

—In *space,* the shuttle is the key to improved operational space capabilities for science, defense, and industry. My 1977 Budget provides the necessary funds to continue development of the shuttle and to assure a balanced program in science and space applications. In the future, space technologies can further advance our National and worldwide needs for better communica-

tions, better weather forecasting and better assessment and management of our natural resources. Scientific exploration and observation in space can add immeasurably to our understanding of the universe around us.

My Budget also provides funds for continued research and development in environment, natural resources, transportation, urban development, and other fields of social and economic activity here we will support work that shows promise in meeting the problems of society and the new challenges we face as a Nation.

Prompt and favorable action by the Congress on my proposal to create the new Office of Science and Technology Policy and to approve my 1977 Budget requests are vital to ensure that science, engineering and technology will continue to contribute effectively in achieving our Nation's objectives.

GERALD R. FORD

The White House,
March 22, 1976.

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Message to the Congress Transmitting Annual Report of the National Science Foundation. *March 22, 1976*

To the Congress of the United States:

I am pleased to submit to the Congress the Twenty-Fifth Annual Report of the National Science Foundation, covering fiscal year 1975.

Science and Technology have dramatically benefited our Nation and the world. During the NSF's first 25 years of operation, research supported by the National Science Foundation—particularly basic research in universities—has contributed much to our Nation's progress in science and technology. I expect the Foundation to continue this valuable contribution.

As this Annual Report shows, the programs of the National Science Foundation in 1975 addressed both the important search for new scientific knowledge and its use in solving society's pressing problems. Also, these programs continued to assist in meeting the Nation's need to train tomorrow's scientists and engineers. I commend this report to your attention.

My 1977 Budget now before the Congress recognizes the important role played by the National Science Foundation and assigns high priority to increases in

Federal support of basic research. I urge Congressional approval of the proposed budget increases in the National Science Foundation.

GERALD R. FORD

The White House,
March 22, 1976.

NOTE: The report is entitled "National Science Foundation Annual Report 1975" (Government Printing Office, 127 pp.).

247

Letter to Congressional Committee Chairmen Transmitting Report on the Status of Indochina Refugees. *March 22, 1976*

IN ACCORDANCE with the provisions of the Indochina Migration and Refugee Assistance Act of 1975, I am reporting to you on the status of refugees from Cambodia and Vietnam.

I am proud of the fact that we were able to achieve our goal of complete refugee resettlement before the end of calendar year 1975. My first three reports to the Congress described the activities undertaken to successfully complete the resettlement phase of the program. The task since that time has been to provide the Indochina refugee necessary assistance in his becoming a self-reliant member of his new community. I must report that in the majority of cases the Indochina refugee is achieving his assimilation into American society largely on his own efforts. Numbers of refugees, however, do require financial, medical, or educational assistance. Through private and governmental efforts we have been able to provide that assistance.

On the whole, I believe this report will show an encouraging start has been made in assisting the Indochina refugee to participate fully in American life.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable James O. Eastland, Chairman, Senate Committee on the Judiciary; the Honorable Peter W. Rodino, Chairman, House Committee on the Judiciary; the Honorable John J. Sparkman, Chairman, Senate Committee on Foreign Relations; the Honorable Thomas E. Morgan, Chairman, House Committee on International Relations; the Honorable John L. McClellan, Chairman, Senate Committee on Appropriations; and the Honorable George H. Mahon, Chairman, House Committee on Appropriations.

The report is entitled "HEW Task Force for Indochina Refugees, Report to the Congress, March 15, 1976."

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Message to the Congress Transmitting Annual Report of the Administration on Aging. *March 23, 1976*

To the Congress of the United States:

Section 208 of the 1973 Amendments to the Older Americans Act (Public Law 89-73) provides that the Commissioner on Aging shall prepare and submit to the President for transmittal to the Congress a report on the activities carried out under this Act.

The Secretary of Health, Education, and Welfare has forwarded the Annual Report of the Administration on Aging for the fiscal year 1975 to me, and I am pleased to transmit this document to the Congress.

GERALD R. FORD

The White House,
March 23, 1976.

NOTE: The report is entitled "Administration on Aging Annual Report—FY 1975" (106 pp. plus appendix).

249

Remarks Upon Signing the Equal Credit Opportunity Act Amendments of 1976 and the Consumer Leasing Act of 1976. *March 23, 1976*

Mrs. Knauer, distinguished Members of the Congress:

This is a very, very important day for all American consumers of every persuasion, of every race, of all ages. It is important because with my signing of the two bills before me, the administration reconfirms its commitment to equal opportunity.

It also underscores our desire to make government far more responsive to the needs of the American consumer, and I indicate my appreciation to the Members of the House as well as the Senate for their cooperation in this regard.

The equal opportunity amendments and the Consumer Leasing Act reflect our joint determination to achieve goals of fairness and equality in a broad range of business transactions, transactions which millions of American consumers engage in every day of every year.

Last November, I spoke out deploring discrimination against Americans that might arise from foreign boycott practices. At that time, I also voiced my firm

support for the amendments to the Consumer Credit Protection Act which would bar such discrimination.

The Consumer Credit Protection Act already on the books prohibits credit discrimination based on sex and marital status. The amendments that I am signing today broaden the act to prohibit credit discrimination on the basis of race, color, religion, national origin, and age.

The other bill that I am signing today, the Consumer Leasing Act of 1976, also broadens consumer protection. It amends the 1968 Truth in Lending Act to extend to lease contracts, the disclosure and protection requirements now imposed on credit transactions. With the rise of consumer leasing of automobiles and other equipment as an alternative to installment buying, this measure meets a very real need.

I am delighted to sign both bills today, and I congratulate the Members of Congress, both Democrat and Republican, for their working with us on this project. The bills add to a growing list of steps that we have taken in the last year to help give all consumers a far fairer shake, to make our country far more equitable and a more just place for all Americans to live.

I thank the Members of Congress and Mrs. Knauer for being here on this beautiful day in the Rose Garden for this occasion.

NOTE: The President spoke at 2:07 p.m. at a ceremony in the Rose Garden at the White House. In his opening remarks, he referred to Virginia H. Knauer, Special Assistant to the President for Consumer Affairs.

As enacted, the Equal Credit Opportunity Act Amendments of 1976 (H.R. 6516) is Public Law 94–239 (90 Stat. 251), and the Consumer Leasing Act of 1976 (H.R. 8835) is Public Law 94–240 (90 Stat. 257). Both bills were approved March 23, 1976.

250

Statement on Signing the Equal Credit Opportunity Act Amendments of 1976. *March 23, 1976*

I HAVE today signed H.R. 6516, which expands the scope of the Equal Credit Opportunity Act.

This administration is committed to the goal of equal opportunity in all aspects of our society. In financial transactions, no person should be denied an equal opportunity to obtain credit for reasons unrelated to his or her creditworthiness.

Last November, I stated my support for legislation to amend the Equal Credit Opportunity Act to bar creditor discrimination on the basis of race, color, reli-

gion, or national origin against any credit applicant in any aspect of a credit transaction. The act currently prohibits discrimination on the basis of sex or marital status.

This bill carries out my recommendations. It applies to business as well as consumer credit transactions and, thus, reaches discrimination against Americans in the extension of credit which might arise from foreign boycott practices.

In addition, this bill permits the Attorney General, as well as private citizens, to initiate suits where discrimination in credit transactions has occurred. It also provides that a person to whom credit is denied is entitled to know of the reasons for the denial.

It is with great pleasure that I sign a bill that represents a major step forward in assuring equal opportunity in our country.

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Special Message to the Congress Proposing Child Nutrition Reform Legislation. *March 23, 1976*

To the Congress of the United States:

I am presenting today to the Congress the Child Nutrition Reform Act of 1976. This proposal is designed to facilitate the States' efforts to feed needy children by consolidating 15 food programs—including forty different meal subsidies—into a single block grant.

Good nutrition is a key factor in the physical, mental and social development of the Nation's children. It is essential that children not be denied a healthful diet because of limited family resources. For this reason the Federal government has developed subsidy programs to provide lunches for needy children.

Children from all families, regardless of income, may receive Federal subsidies for meals served by eligible institutions. The Federal government now provides approximately 20% of the total cost of school lunches served to *all* children, regardless of their nutritional need or income.

However, due to program changes enacted by the Congress, the Federal government will be required to spend even *more* money on non-needy children. At the same time, there are at least 700,000 children from poor families receiving no benefits whatsoever.

I believe that the Federal government has a responsibility to provide nutrition assistance to those most in need. At the same time, I believe that the existing

Federal taxpayer subsidies for the meals of children from families able to feed themselves extends that Federal responsibility beyond the appropriate point.

In addition, under existing law, the 15 programs enacted into detailed legislation with the same objective—feeding needy and non-needy children—have resulted in a patchwork of complicated Federal controls and regulations.

Therefore, today I request that the Congress enact the "Child Nutrition Reform Act of 1976."

This legislation would:

—Provide financial assistance to States based on the cost of feeding all needy children.

—Consolidate 15 complex categorical and overlapping programs into a single block grant to States, increasing their flexibility in administering these programs, and at the same time save the taxpayers nearly $900 million in FY 1977 by reducing assistance to non-needy children.

—Remove unnecessary restrictions and red tape governing the way meals are provided to needy children.

—Give concerned organizations and individuals in each State an opportunity to be involved in the planning of child feeding programs.

GERALD R. FORD

The White House,
March 23, 1976.

252

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation on the Use of Electronic Surveillance To Obtain Foreign Intelligence Information. *March 23, 1976*

ENCLOSED for your consideration and appropriate reference is a legislative proposal to amend Title 18, United States Code, by adding a new Chapter 120 to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information.

On February 18, 1976, in a Message to the Congress on the activities of our intelligence agencies, I stated that the Administration would work with the appropriate leaders of Congress to develop legislation to deal with a critical problem involving personal privacy—electronic surveillance. The Attorney Gen-

eral has met with a number of Congressional leaders, and the discussions have been marked by a bipartisan spirit of cooperation. This spirit also characterized today's meeting which I had with leaders from the Congress at which we discussed the need for this legislation. I welcome the support of those who have agreed to co-sponsor and work towards speedy enactment of this bill.

At the present time electronic surveillance within the United States for foreign intelligence, including counter-intelligence, purposes is approved by the Attorney General, pursuant to explicit Presidential authorization, in cases involving agents of or collaborators with foreign powers. The proposed bill would provide a procedure for seeking a judicial order approving the use, in a particular case, of electronic surveillance to obtain foreign intelligence information and would establish standards that must be satisfied before any such order could be entered. The bill follows the framework established by the provisions of Title III of the Omnibus Crime Control Act, 18 U.S.C. § 2510 et seq., governing electronic surveillance undertaken for criminal law enforcement purposes, with substantive and procedural adjustments necessary to meet the singular needs and purposes of foreign intelligence investigations.

The enactment of this bill will ensure that the government will be able to collect necessary foreign intelligence. At the same time, it will provide major assurance to the public that electronic surveillance for foreign intelligence purposes can and will occur only when reasonably justified in circumstances demonstrating an overriding national interest, and that they will be conducted according to standards and procedures that protect against possibilities of abuse.

I urge the early consideration and adoption of this timely and needed proposed legislation.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

In his letter, the President referred to a meeting at the White House with a bipartisan group of Senators and Representatives on the same day. Attorney General Edward H. Levi and Secretary of Defense Donald H. Rumsfeld also attended the meeting.

253

Remarks at a Meeting With Members of the Texas Republican Delegation. *March 24, 1976*

GEE, it is nice to see my old friends, Bill McKenzie and all of you from Dallas County. I think it is very appropriate, because it is very meaningful to me and, I think, to you.

The Texas Republican delegation is high on quality. We could stand a little more quantity—[*laughter*]—but they certainly are the top people. John Tower is one of the outstanding Members of the United States Senate. He is a very close and very dear friend of mine and, as you all know, he does a superb job representing you as well as doing a fine job for the country.

But you also have three outstanding Members of the House of Representatives in Jim Collins, Bill Archer, and Alan Steelman. I just wish that they had a few more compatriots to help us up there in some of the legislative problems we have from time to time. They are all staunch; they are able; they have fine committee assignments, and they are great teamworkers.

You might be interested, speaking of politics and the convention, I am announcing at this time that John Tower, who I spoke of and spoke of very glowingly, is going to be the President Ford floor leader at the convention in Kansas City. This is recognition of John's outstanding ability not only in representing all of you but as a friend of mine and a very ardent and devoted advocate of my own candidacy.

There have been some Wednesday mornings that have been happier recently than this one. We had five good ones and this one that did not turn out as well as we would have liked. We knew it would be a close race. We expected to win. We didn't. And I might say that in politics, it is never good to come in second.

What we intend to do in the months ahead, starting this morning, is first on to Wisconsin. And we expect to make a big effort there. We know it will be close, but we expect to win. And then, of course, that same day, we have the New York primary where we are entered and our opponent is not. So, the situation there looks very good.

In Pennsylvania, which is another large delegation, we are entered and there is no opposition, so that looks good. But whether the results yesterday will have any impact or not, it is my judgment it will not in the final conclusion.

We expect to go to Kansas City, and we expect to be nominated. But the im-

portant thing, I think, for all of us is that we have to make certain that the Republican Party and the philosophy that it represents prevails November 2.

The Republican Party, as we all know from surveys and polls, is a minority party. We are outnumbered by the Independents; we are outnumbered by the Democrats. So the Republican candidates must find a way to get people, certainly from the Independent side, and to also woo some of the Democrats, who philosophically more nearly agree with us than they do with whoever the Democratic nominee might be.

So, as we move down in trying to get the nomination, we have to be most careful that we don't alienate Republicans. We have to be certain and positive that in the process of the Presidential nomination, we keep the party together and that personal ties must be secondary to the philosophy and to the cause for which we are all working so very, very hard.

I was looking over a list this morning of people from Texas who are in the administration. It is a very, very imposing list. Of course, you can start with Bill Clements, who is number two over at the Department of Defense. And we are all very, very pleased with Anne Armstrong, who is the first woman who has ever served our country as the Ambassador to the Court of St. James. And then we have got Jim Baker, who is number two over at the Department of Commerce. We have Jim Hargrove down in Australia. We have Al Fay. We have Bob Mosbacher, who is doing a great job.[1] You probably heard from Bob over at the President Ford Committee, but he has done a superb job over there. We are delighted to have so many Texans. They do a good job, and they significantly contribute to the success of the administration.

Speaking of that, as I take a look at the situation that has developed in the last 19 months—just about the time that I took over this very, very great honor—we have gone through some tough times. We have had a tough economic situation with inflation on the rampage, something like 12 to 14 percent. It is now down very significantly, and the news we got last Friday showed that the increase in the cost of living for the month of February was the lowest in 4 years. That is awfully good economic news.

We are going to continue the pressure that has been exerted in this area, because inflation hurts everybody. It hurts those who have a job; it hurts equally, if not more so, those who are unemployed. So, if we can continue the progress we are making on inflation, it would be a very significant achievement.

[1] James W. Hargrove, U.S. Ambassador to Australia; Albert B. Fay, U.S. Ambassador to Trinidad; and Robert Mosbacher, President Ford Committee national finance chairman.

At the same time, we are finding that employment is going up. We have regained the 2 million jobs that were lost in the low point of the recession, and all indicators are that employment is going to continue to go up, and unemployment continue to go down.

Just as I said I get no solace out of being number two in any election, I can assure you that the United States is going to be number one, as it is, in our national security. All of you in Texas represent that kind of strength that I think really prevails throughout the country.

We want the United States second to none in military capability so that we can deter aggression, so that we can keep the peace, so that we can protect our national security. Our Defense Department today—the Army, the Navy, the Air Force, and the Marines—are the best trained. They are alert and ready. They have the finest equipment, and we are going to make certain that they continue to have all of what they need for the security and the defense of the United States.

I think it is vitally important to remember this one fact: Last year, I submitted to the Congress at that time, the highest peacetime military budget in the history of the United States. Tragically, the Congress cut $7 billion out of that defense budget. The Congress was wrong.

But it is also interesting to note that in the last 5 years on defense budgets, the Congress has cut about $39 billion out of requests made by me and my predecessor. So, if there is a problem—I don't think there is—the blame rests on the Congress for its failure to adequately fund the Department of Defense.

Now, let me add one other thing. In January of this year, I submitted the largest peacetime military budget in the history of the United States—$112.7 billion in what we call obligation authority, and $100 million [billion] in expenditures. We have made a massive effort in the last 3 months to convince the Congress that they cannot make reductions of the magnitude that they have previously reduced military budgets.

I think we are making headway. But I was very disturbed to read in the paper this morning that the chairman of the House Budget Committee—this is only the chairman, but he is an influential individual—is recommending, as I recall the figures, about a $7 billion reduction in the $112 billion obligation authority figure. That is much too large a reduction. And he has called for a reduction of some $1 or $2 billion in expenditures. Again, that is a reduction that cannot be justified in the problems that we face around the world. We are number one; we are not second to anybody.

But it is an obligation that all of us have, Democrats or Republicans, to make certain that we continue this strength in the months and the years ahead. That is the way we can keep America safe. It is the way we can preserve the peace, and it is the way we can deter aggression.

I know all of you support that viewpoint. But it is a mission that I have and you have in a constructive way, to make certain that this country has the strength, as I have indicated, for the purposes that are essential to our security for peace and the deterrence of aggression.

One final word. I have known from 13 congressional campaigns that it is important that volunteers participate. No candidate can win on his own. You in Texas, and you, particularly, in Dallas County, have been a tremendous help to Jim Collins and to Alan Steelman. I know that you will be equally significant in the months ahead in making certain that we get more Congressmen, that we keep those who are there, there, and that we broaden our total congressional effort so that we can have a Congress that will be easier to work with when we have a Republican President for the next 4 years.

Thank you very much.

NOTE: The President spoke at 9:20 a.m. in the Rose Garden at the White House. In his opening remarks, he referred to William A. McKenzie, chairman of the Dallas County Republican Party.

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Special Message to the Congress on the Federal Civilian and Military Retirement Systems. *March 24, 1976*

To the Congress of the United States:

My 1977 Budget recommends a program of tax reduction and spending restraint designed to reduce the growth of Government, help sustain our economic recovery, and give our citizens a greater say in managing their own affairs. It proposes changes in many programs in order to hold Federal spending below the levels that would otherwise occur in 1977 and in later years.

One of these changes, as indicated in the budget, is elimination of the provision in Federal civilian and military retirement systems which over-compensates retirees for cost-of-living adjustments. Since 1969, these retirees have been paid $1.6 billion more than the amount needed to adjust their retirement pay for changes in the cost of living. Unless the law is changed, the taxpayer will be

forced to shoulder an ever-larger burden to pay for benefit increases far exceeding real changes in the cost of living.

Under existing law, when annuities under the Civil Service, Foreign Service, Central Intelligence Agency, and military retirement systems are adjusted to reflect changes in the cost of living, an extra one percent is added automatically. Because the extra one percent has been compounded each time the system has been adjusted, retirement payments are running substantially ahead of the actual rise in the cost of living. This procedure threatens the financial integrity of the retirement systems.

Since the one percent add-on became a part of the law in 1969, Government retirement annuity adjustments have led to increases totaling 63 percent. Yet during this same period, the actual increase in the Consumer Price Index was 50 percent. As a result, annuitants under these retirement systems received $1.6 billion more by the end of fiscal year 1975 than they would have if the adjustments had simply kept pace with the *actual* increases in the CPI. Furthermore, the liability for future Federal personnel retirement payments increased $11.2 billion in just six years because of the one percent add-on. Each future increase, under current law, will mean at least $1.9 billion in added liability for future payments.

Retired Federal employees deserve to be protected from the ravages of inflation. The Federal retirement system is a good one and its guarantee of automatic adjustments directly related to rises in the CPI is not widespread in the private sector. But the Federal systems are unique in providing one percent over and above the actual rise in the CPI. It is neither appropriate nor fiscally responsible for the Federal government to continue to provide such an added benefit.

Accordingly, the Civil Service Commission, the Department of State, the Department of Defense and the Central Intelligence Agency are submitting bills to repeal the one percent add-on feature in the civilian and military retirement systems they administer.

I urge the Congress to consider these proposals and act on them promptly and favorably.

GERALD R. FORD

The White House,
March 24, 1976.

255

Remarks Upon Signing Legislation Approving the Covenant Establishing Commonwealth Status for the Northern Mariana Islands. *March 24, 1976*

Distinguished representatives of the Northern Marianas, distinguished Members of the Congress, members of the executive branch, ladies and gentlemen:

The signing today of the joint resolution of the Congress providing the Northern Mariana Islands Commonwealth Covenant marks a very important moment in our Nation's history. It reaffirms our commitment to the principles of self-determination, and it honors the freely expressed wishes of the peoples of these islands for the political union with the United States.

Those wishes have been recorded formally through the resolutions, referendums, and petitions to the United Nations and to the United States, dating as far back as 1950. We can be proud of the fact that open democratic negotiations led to the covenant. The plebiscite conducted in the islands last June resulted in a resounding 78.8-percent popular approval of the covenant. The final vote in the House and Senate reflected equally impressive majorities.

I congratulate all those involved in the process—the Marianas Political Status Commission, Ambassador Haydn Williams, members of the American delegation, and those Members of the Congress who worked very closely with Ambassador Williams during the negotiations. Let me also thank the distinguished members, past as well as present, of the House and Senate Interior Committees, particularly Senators Bennett Johnston, Paul Fannin, Cliff Hansen, Chairman James Haley, Congressman Phil Burton, Joe Skubitz, and Bill Ketchum.

To the people of the Northern Marianas, I extend my personal greetings and my best wishes as you move closer to your goal of self-government within the political framework of the American family. I warmly welcome your eventual entrance into the union with the United States.

And as I sign this bill, we might recall that these islands were once the scene of bitter armed conflict. My hope now is that they will contribute to the continuing maintenance of peace and stability and friendship among all the peoples in all of the nations in the Western Pacific.

Thank you all very much for coming. I can't say enough for the cooperation that came from not only the people of the Northern Marianas but the

Congress and all others associated. And to you, Ambassador Williams, we owe a great debt of gratitude.

NOTE: The President spoke at 3:14 p.m. at a ceremony in the East Room at the White House.

As enacted, the bill (H.J. Res. 549) is Public Law 94-241 (90 Stat. 263).

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Statement on Signing Legislation Approving the Covenant Establishing Commonwealth Status for the Northern Mariana Islands. *March 24, 1976*

I AM signing today an historic document—H.J. Res. 549, the joint resolution of the Congress approving the Northern Mariana Islands Commonwealth Covenant.

It is an important occasion. First, it is a significant step in carrying out our obligations under the United Nations Trusteeship Agreement which has been the basis of the United States' administration of these islands since 1947. Second, it confirms our national commitment to the principle of self-determination by honoring the freely expressed wishes of the peoples of these islands for political union with the United States. And third, the joining together of all of the Marianas under one flag and one common citizenship represents the first major addition to United States territory in the Pacific since 1898.

History will show that this action has been in clear response to the persistent desires of the Marianas people to become permanently associated with the United States—a desire recorded formally through resolutions, referendums, and petitions to the United Nations and to the United States dating as far back as 1950. History will also show that the negotiations leading to the covenant were conducted in an open and highly democratic fashion, and that the covenant's provisions are responsive to the wishes of both the people of the Northern Mariana Islands and the Congress of the United States.

Those who were involved in this careful and thorough process are to be congratulated: The Marianas Political Status Commission, Ambassador Haydn Williams and members of the American delegation, those Members of the Congress who worked closely with Ambassador Williams during the negotiations, and those who provided the leadership in moving the joint resolution through its final stages in the House and the Senate. I refer to the members of the Senate and House Interior Committees including Senator J. Bennett Johnston, Senator Paul J. Fannin, Senator Clifford P. Hansen, Chairman James Haley,

Congressman Phil Burton, Congressman Joe Skubitz, and Congressman William M. Ketchum.

The decision to approve the covenant was not taken lightly by either the people of the Northern Mariana Islands or by the Congress of the United States. Its provisions and the significance of the islands becoming a part of the United States were subjected to careful scrutiny and weeks and months of debate in the Marianas and in Washington. The plebiscite of last June was conducted in a fair and impartial manner under the able supervision of Mr. Erwin D. Canham, the Plebiscite Commissioner. U.N. observers were also present. The final plebiscite vote, with 95 percent of those eligible to vote casting their ballots, was a resounding 78.8-percent popular approval of the covenant. Following months of open hearings the final vote in the House and Senate resulted in equally impressive majorities in favor of the Commonwealth of the Northern Mariana Islands in political union with the United States of America.

Next will come the challenge of planning carefully and well for the new Government of the Northern Marianas under its own locally drawn and ratified constitution. The framers of that constitution will draw on our 200 years of experience as an independent democracy, and those residents of the Northern Marianas who will one day be citizens of the United States will receive the full protection of our Bill of Rights which protects the rights of all American citizens.

As I sign this bill, I cannot help but remember that these islands were once the scene of bitter armed conflict. My hope now is that they will contribute to the continuing maintenance of peace and stability and growing cooperation and friendship among all of the peoples and nations of the Western Pacific.

Finally, to the peoples of the Northern Marianas, I extend to you on this historic day my personal greetings and my best wishes as you move progressively closer to your long-sought goal of self-government within the political framework of the American family. Your entrance into union with the United States is warmly welcomed in this our Bicentennial Year.

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Remarks Announcing the National Swine Flu Immunization Program. *March 24, 1976*

I HAVE just concluded a meeting on a subject of vast importance to all Americans, and let me report to you the results of that meeting.

One month ago, a strain of influenza sometimes known as swine flu was discovered and isolated among Army recruits at Fort Dix, New Jersey. The appearance of this strain has caused concern within the medical community, because this virus is very similar to one that caused a widespread and very deadly flu epidemic late in the First World War. Some older Americans today will remember that 548,000 people died in this country during that tragic period.

During the last few days, I have consulted with members of my administration, Secretary Mathews and Dr. Cooper, and leading members of the health community and public officials about the implications of this new appearance of swine flu. I have been advised that there is a very real possibility that unless we take effective counteractions, there could be an epidemic of this dangerous disease next fall and winter here in the United States.

Let me state clearly at this time, no one knows exactly how serious this threat could be. Nevertheless, we cannot afford to take a chance with the health of our Nation. Accordingly, I am today announcing the following actions.

First, I am asking the Congress to appropriate $135 million, prior to their April recess, for the production of sufficient vaccine to inoculate every man, woman, and child in the United States.

Secondly, I am directing the Secretary of HEW David Mathews, and Assistant Secretary, Dr. Cooper, to develop plans that would make this vaccine available to all Americans during the 3-month period from September to November of this year.

Finally, I am asking each and every American to make certain he or she receives an inoculation this fall. Inoculations are to be available at schools, hospitals, physicians' offices, and public health facilities.

The reaction to the shot, I am told, may mean a few sore arms for a day or two—a very small price to pay for this vital protection.

The facts that have been presented to me in the last few days have come from many of the best medical minds in this country. These facts do not suggest there is any cause for alarm. The scientific community essentially understands what we are dealing with, and they have developed a vaccine that will be effective in combatting it.

The facts do suggest, however, that there is a need for action now—action by the Government, action by industry and the medical community, and most importantly, action by all of our citizens.

We are taking the first steps this afternoon, and before next winter I hope we will have put this threat behind us.

I would like to thank the very outstanding group of technicians who came in and met with me for an hour or so this afternoon—Dr. Salk, Dr. Sabin, and others here who have convinced me beyond any doubt whatsoever, that this is the right course of action. And tomorrow, I will submit to the Congress a message and a budget supplement, so that this money will be available, and available as promptly as possible.

We discussed how the supplemental should be handled, whether it should be a part of the supplemental that is now going through the Congress or a separate supplemental that would be identified only for this purpose and passed by both the House and the Senate for this purpose and this purpose alone. It is my recommendation that the Congress take this item for $135 million, act promptly on it, and not tie it up with a broader supplemental appropriation bill.

And now, it is my pleasure to ask Dr. Mathews, Secretary of HEW, and Dr. Cooper and the other distinguished scientists who are here who can answer your technical questions.

Thank you very much.

NOTE: The President spoke at 4:50 p.m. to reporters assembled in the Briefing Room at the White House.

Following the President's remarks, a news briefing on the subject was held by David Mathews, Secretary, Dr. Theodore Cooper, Assistant Secretary for Health, Dr. David J. Sencer, Director, Center for Disease Control, Department of Health, Education, and Welfare; and Dr. Jonas Salk and Dr. Albert B. Sabin, pioneers in the development of the polio vaccine.

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Special Message to the Congress Requesting a Special Supplemental Appropriation for the National Swine Flu Immunization Program. *March 25, 1976*

To the Congress of the United States:

The nation faces a serious potential public health threat this winter from a strain of virus known as swine influenza.

On month ago this strain of influenza was discovered and isolated among Army recruits at Fort Dix, New Jersey. The appearance of this strain has caused concern within the medical community because this virus is very similar to the one that caused a widespread and very deadly flu epidemic late in 1918–19. Some Americans will recall that 548,000 people died in this country during that tragic period—and 20 million people worldwide.

I have consulted with members of my Administration, leading members of the health community and public officials about the implications of this new appearance of swine flu. I have been advised that there is a very real possibility that unless we take effective counteraction, there could be an epidemic of this dangerous disease next fall and winter here in the United States.

The facts that have been presented to me in the last few days have come from many of the best medical authorities in this country. These facts do not suggest there is any cause for alarm. The scientific community understands what we are dealing with and they have developed a vaccine that will be effective in combatting it. The facts do suggest, however, that there is a need for action now—action by the Government, action by industry and the medical community, and most importantly, action by all of our citizens.

Although no one knows at this time exactly how serious this threat could be, we cannot afford to take chances with the health of our people. Accordingly, I am taking the following action.

I am asking the Congress for a special supplemental appropriation of $135 million—prior to their April recess—to insure the production of sufficient vaccine to inoculate every man, woman and child in the United States.

I have directed HEW Secretary David Mathews, and the Assistant Secretary for Health, Dr. Theodore Cooper, to develop and implement plans that will make this vaccine available to all Americans.

Finally, I am asking each and every American to make certain he or she receives the vaccine this fall. Inoculations are to be available at schools, hospitals, physicians' offices, and public health facilities.

Extraordinary measures are necessary because of the short time period available to assure adequate vaccine production and to mobilize the nation's health care delivery system. An extensive immunization program must be in full-scale operation by the beginning of September and should be completed by the end of November, 1976.

I urge the Congress to act immediately to pass this special supplemental appropriation separately. This $135 million appropriation, if acted on promptly, will be a key factor in putting this threat behind us before next winter.

GERALD R. FORD

The White House,
March 25, 1976.

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Exchange With Reporters on Arrival at San Francisco, California. *March 26, 1976*

GOOD MORNING. It is very nice to be in California. I have several speeches here in the San Francisco area, so I prefer, if you have any questions, I will be delighted to answer them.

REPORTER. Mr. President, could you foresee any circumstance where you would accept Ronald Reagan as a Vice-Presidential candidate with you on the ticket?

THE PRESIDENT. I've said that we have a wealth of fine, fine potential candidates for Vice President, and certainly former Governor Reagan has the kind of qualifications that would include him in that group.

Q. Mr. President, would you comment on reports in the past few days that the country is planning on some sort of military action or at least a blockade against Cuba in the event that Cuban troops take some action in Africa?

THE PRESIDENT. I have said on several occasions—and the Secretary of State has likewise indicated—that we strongly oppose any adventurism by Cuba beyond its own borders, and under the circumstances, if they did, we would take appropriate action. But I can go no further than describing that those potential actions by us are currently under study.

Q. How would you assess at this point the way the primaries have gone? It looks like about half the Republican Party is not voting for you in almost every primary.

THE PRESIDENT. Well, we have won five out of six of the elections. In our American election system—if you get 1 more than 50 percent, you win. And I think we are going to win enough to go to Kansas City, and I think that will be the springboard, the stepping stone, to victory in November of 1976.

Q. [*Inaudible*]

THE PRESIDENT. Well, those are allegations by anybody not with any factual information to back them up. The United States is fully prepared to deter aggression, to maintain the peace, and to protect our national security. And any allegations to the contrary are without foundation or fact.

Q. Mr. President, can you explain the change in our status with the North Vietnamese?

THE PRESIDENT. I said in Hawaii that we should look to the future and not to the past. We have had a congressional committee that just recently visited

North Vietnam on behalf of trying to get more information concerning the MIA's. That congressional committee has come to the White House, talked with me, and urged that we undertake informal discussions primarily aimed at the MIA problem and anything that might relate to it. And that is the limit of the discussions so far.

Q. Would you favor that?

THE PRESIDENT. I certainly favor it, if it can have any impact or beneficial results involving our MIA's.

Q. Mr. President, how are you signaling this to the North Vietnamese?

THE PRESIDENT. Through proper channels.

Q. Mr. President, can you conceive of any situation in which this country might conduct a blockade?

THE PRESIDENT. I would not want to speculate on any military action that we might undertake. We will take appropriate action.

Q. Mr. President, as primaries go, how important is the California primary?

THE PRESIDENT. Every primary is important, and we have taken one at a time.

Thank you very, very much.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 10:18 a.m. at the Coast Guard Air Station, San Francisco International Airport.

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Remarks in San Francisco at the Annual National Convention of the American Textile Manufacturers Institute. *March 26, 1976*

Thank you very, very much, John, members and guests of the American Textile Manufacturers Institute:

It is good to see you all here, and I am deeply grateful that you made some room in your busy schedule for my opportunity to say hello to so many of you that I have known over the years. It is good to see old friends and to say hello to new ones. I could not be in—as a matter of fact, John, I just could not be in San Francisco for a bit today without stopping by for a few minutes on this occasion of your 27th annual meeting.

It also gives me an opportunity to personally extend my very best wishes to Bob Jackson on his retirement as your executive vice president. As I said in my

special message yesterday—I understand it was read—Bob has made a very great contribution to the American textile industry as well as to the strength and the vitality of the American free enterprise system. We all wish you the very best, Bob.

Your theme, as I understand it, at this convention is "Textiles are our first great industry," and it is appropriate that you should have that title on our Bicentennial Year. It also reminds us, however, that today the textile industry is one of the largest industries in our country.

I was interested in reading the history that when Samuel Slater built the country's first spinning mill in 1790 on the Blackstone River in Pawtucket, Rhode Island, the Nation was very, very young. In the 186 intervening years, the textile industry has played a very major and massive role in our Nation's economic growth from the beginning to the present.

As John was telling me, it is now the largest employer of labor in manufacturing, with combined textile and apparel manufacturing accounting for some 2,400,000 jobs out of 86,600,000 jobs, according to the last statistics by the Department of Labor. Fortunately your industry was one of the very first to come out of our recent recession, but because all of the trends that we see today—all are pluses—I think this industry, as well as the country, can look confidently to continued economic recovery this year.

We have had, it seems, good economic news about every Friday for the last month or 5 weeks. First, we had a substantial drop in unemployment; a very significant increase in employment. And then we had good news when there was actually a reduction in the Wholesale Price Index, and then last week we had additional, very beneficial news indicating that the increase in the Consumer Price Index was also very, very small.

But this morning, flying out, I was reading one of the morning newspapers from the east coast, and I could not help but quote from it because I think this is the fundamental that will determine whether or not we have a continued, improving economic climate in the months ahead. According to the University of Michigan Survey Research Center, they are saying the following, "Consumer confidence improved sharply in the last 3-month period."

Let me quote several of the portions from that report: "The recent sentiment—improvement is sufficiently large, and broad-based across all income groups, so that it is not likely to be reversed in the months ahead." They also said, "This rise in consumer optimism, coupled with pent-up demand for various guides and services, suggests that a substantial increase in consumer spending is clearly in prospect." They went on to say, "News in the months ahead, that the eco-

nomic recovery is fast, could result in a genuine boom in consumer spending. For the first time in 3 years, more respondents—47 percent, were expecting good times in the next year than those expecting bad times—29 percent."

So, when we have the good figures on employment, on unemployment, Wholesale Price Index and the Consumer Price Index, plus the obvious regeneration in enthusiasm in the consumer sector, I think all of us can honestly look forward to increasing progress toward the prosperity that we all want so very badly.

But let me add, if I might, I am fully aware of the competitive situation that is facing the textile and apparel industries, and I can assure you that I am determined to support your efforts to keep this industry or these industries strong and thriving.

As you well know, the United States imports textiles and apparels from about 120 countries. We have joined with 50 other countries in the multifiber arrangement to provide the ground rules to assure that worldwide trade can continue to grow without disruption.

In this international framework, the United States has negotiated 18 agreements; 16 have been signed, and 2 more are expected to be signed very shortly. The multifiber agreement, which has been in force under GATT [General Agreement on Tariffs and Trade] since 1974, in January, has been under review during the past year, within the administration at the highest level, to consider whether it should be extended, modified, or discontinued.

Although it is by no means a perfect instrument, you recognize it, and so do I, that our review certainly suggests to us that MFA [Multifiber Arrangement] has functioned reasonably well. And I have therefore concluded that the United States Government should seek a renewal of the multifiber arrangement. And I will instruct our textile negotiators to pursue its renewal in the GATT textile committee.

Some of the largest producers in the world of textiles are not a party to the multifiber arrangement and I am aware that there is considerable concern in the United States textile industry about rapidly rising imports from some of these nations.

I can assure you that I share your desire to avoid disruption of our domestic textile market from any source. The matter is presently in review at the Cabinet level, and I am taking a personal interest in the problem and following these deliberations very closely. I can assure you that I am genuinely committed to finding the most appropriate way of dealing with the problem to ensure that our

domestic market is not seriously disrupted and that our objectives under the multifiber arrangement are met. I can assure you that they will be.

Other steps also need to be taken to keep our textile industry strong and prosperous including reform of our regulatory system. We need to ensure that legitimate concerns over noise levels, dust and water pollution are met at a pace and at a level that can be sustained by the industry and by the economy.

And I am also familiar with the fact that with the impetus that had started in some of these areas a few years ago, there were efforts made to go too far too fast. And what we are trying to do in a responsible and reasonable and constructive way is to swing the pendulum back so we can balance, I think equitably, the needs of the economy on the one hand and the other problems on the other.

But also high on the list of needs in your industry is energy conservation and development and availability. As users of natural gas in the finishing of your fabrics, you know far, far better than I how important it is that we have an adequate supply of this vital resource. And as users of man-made fibers you know, again far better than I, how important it is that we have an adequate supply of petroleum. In order to be certain that these vital supplies are available for all American industry, I continue to support vigorously, as I have from the very outset, the deregulation of natural gas and the development of an energy conservation ethic. These are essential.

These two programs are absolutely essential in achieving energy independence for the United States, and, obviously, I have your support. As we look at the problem of deregulation of natural gas, we were able to get from the United States Senate late in 1975 the Bentsen-Pearson bill which gave us an opportunity to achieve the deregulation of natural gas. We made a massive effort—and I believe that many in this audience worked with your Members of the House of Representatives to try and get the House to do the same. Probably the greatest disappointment in this session of the Congress has been the fact that we lost that vote in the House of Representatives by, I think, a difference of 3, something like 207 to 204.

Unbelievable, that Members of the House of Representatives could not understand, could not realize that the only way you can stimulate more exploration for natural gas is to give to those who are willing to invest an opportunity for a fair return on their investment. And as long as we keep the lid, as is the case under existing law, you are not going to have any real exploration effort to try and find more of this resource in this country.

Then the bottom line is what really bothers me. In the month of February of this year we imported more oil from foreign sources than ever in the history

of the United States, better than 7,100,000 barrels per day. And last week or the week before—I am not sure which—it got up to 8 million-plus barrels per day. And while we are buying more imported oil, if the trend is like that, there is less and less production of crude oil and natural gas from domestic sources.

So, any help you can give us in trying to get this legislation through—we have got problems—would be, I think, totally in the national interest.

But let me go on to several of the other ongoing concerns that I know you have. I recognize that you are concerned about American technological development in the textile field. Too often we have become an importer of textile technology rather than the exporter that we once were as a nation. Industry must provide adequate research and development funds in this area, and it should be that these funds are not the first to be cut during tough times. And having just gone through a budget preparation experience—much like, I am sure, you do in your respective companies—when you are trying to hold down expenditures as we are, the temptation is to reduce research and development because it does not have an immediate impact or effect.

And I was faced with that problem—research and development for the Department of Defense, research and development for our energy program, whether it was solar energy or geothermal energy sources. I made a decision—and I hope that you will in your industry—that we have to make those long-term commitments. And so I increased the research and development money across the board for the Federal Government by 11 percent. It was about double the increase in the proposed spending for the Federal Government as a whole in the next fiscal year.

If we don't make those kinds of investments now, we can't keep pace in the generations ahead with other countries that are rapidly achieving far more than anyone anticipated, a research and development capability which obviously materializes into hardware of one kind or another.

Of course, I think we have to recognize that as we work on our economy that we should expand, if we can, these efforts in research and development in the other areas. Our policies as a nation, of balanced economic growth, avoiding the pitfalls of inflation on the one hand and the boom and bust psychology on the other, I think can assure us that we will have the funds to invest today and more to invest in the future.

Our policies of freeing the private enterprise system from some excessive paperwork and unneeded regulation can also be helpful, not only in getting your job done but relieving the bureaucracy in numbers and paperwork in Washington.

Our policies in this administration of providing industry with adequate incentives for capital investment can also ensure our continued growth and prosperity.

I was deeply disappointed to read last night, in some of the news reports that I got, that the House Committee on Budget has rejected the proposal that I made in January for an added reduction of some $10 billion in personal and business taxes beginning July 1. I believe that if we are going to provide the jobs that are needed for some 2 million young people who are coming into the labor market every year, we have to go to the private market where five out of the six jobs today are available for those who want to work.

So, if you can help us, and we will help each other, we will help the country by convincing the Congress that tax reductions providing incentive for individuals to spend and business to invest is a far, far better way than piling on extra spending for make-work jobs in the public sector.

John, and all of you from the textile industry, I thank you for giving me a few moments this morning. I am grateful for this opportunity; and let me assure you that in the future I will continue to work with you, and I know that I can depend on your help and assistance. And if we work together with policies that are sound, and we don't panic, we don't try quick fixes that never worked and won't in the future, if we do all of these things together, 215 million Americans, we can have an increasing rise in our standard of living, we can keep our Nation strong to deter aggression, to maintain the peace, and to protect our national security, and give to those that follow us an even greater America than the one that we have enjoyed.

Thank you, very, very much.

NOTE: The President spoke at 10:58 a.m. in the Grand Ballroom at the Fairmont Hotel. He was introduced by John Hamrick, president of the institute.

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Remarks at a President Ford Committee Luncheon in San Francisco. *March 26, 1976*

Thank you very, very much, Dave. Congressman Clair Burgener, who is here someplace, Congressman Pete McCloskey I know is here, Mary Louise Smith, Ev Younger, Mrs. Paul Haerle—I will see Paul later tomorrow, I guess—ladies and gentlemen:

It really is a great privilege and a very high honor to be here. And Dave

and I were reminiscing about the experiences when he was number two man at the Defense Department under Mel.[1] Because for 14 years during my career of some 25 in the Congress, I spent on the Defense Subcommittee on Appropriations where we had 5 months a year, 5 hours a day, of nothing but witnesses from Secretaries of Defense on down.

I got to know Dave far better than our previous meetings because everybody on that subcommittee—Democrats as well as Republicans—had nothing but the greatest admiration for him coming to Washington and devoting that much time to try and help continue and to keep our Army, Navy, and Air Force and Marines well-equipped, alert, ready for the protection of this country. And we all thank you very much, Dave.

I do want to express my deep appreciation for all of you, individually, who are here. I know what you have done; I am very grateful for your support. And let me assure you that Betty and I won't let you down in the next 4 years.

I am especially glad to be here in a year which marks not only our national Bicentennial but also the 70th anniversary of the San Francisco earthquake. And I learned coming in here this is the 100th anniversary of the Palace Hotel, so we are really doing things in San Francisco this year.

But I think for those of us who have visited this great community over the years, we have just unbelievable respect for the people who built San Francisco—a magnificent city—from the ruins, and all of us know that this symbolizes the best in the American spirit.

But just as San Francisco rose from the ashes, the United States of America, within the last 20 months, began to also recover from great adversity. And under this administration our Nation in every respect across the spectrum is constructively building for the future, and I, like you, have great faith in what is going to happen for America in the next decade.

But just as it does in San Francisco, the fog has lifted in America to reveal, as I see the future, a very bright one—a future that will give us a dollar's value for a dollar spent, that will provide a job for everybody who wants to work, that will encourage the growth of business and industry, and not take enterprise out of the free enterprise system. It will give individuals more, more, much more control over their personal life; it will provide a cleaner environment and better health and will positively assure the United States the continued military strength to preserve our security as well as the peace.

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[1] David Packard, Deputy Secretary of Defense 1969–71, and Melvin R. Laird, Secretary of Defense 1969–72.

Naturally, I am very proud of what I think the administration has achieved. And when I look back over the obstacles and the roadblocks and the disappointments of the last 20 months, let me assure you it has not been the easiest job I have ever had.

Furthermore, I don't intend to let any political tremors undermine the administration's successful and responsible policies, whether at home or abroad. Our prime function, regardless of what happens in any political year, is to stay on the job and work at the job for the country which all of us love.

But I think we have to also have under our system a necessary look at what is going to happen and transpire between now and August in Kansas City. But it is also of vital importance that we take a broader, broader look as to what our ultimate goal is—a victory for the philosophy, the principles and policies that we stand for in November of 1976.

When I became President 19 months ago, I think most of us would recognize that the country was in somewhat serious trouble. The credibility of government was low; inflation had reached frightening heights; too many people were out of work, and many more were to lose their jobs in the near future; there was no effective energy program; Federal spending was escalating beyond comprehension; the crime rate, tragically, was rising. As I sampled the mail that came into the office and as I traveled around the country, I had the distinct feeling that many, many Americans were understandably fearful of the future.

Today—we have to be honest and frank—we are not yet where we want to be, but by any measurement or standard we have made great progress. We are moving ahead, I think, with new realism and with new effectiveness. And certainly public confidence has been restored. And if any of you read the Wall Street Journal this morning you might have seen a survey put out by the University of Michigan that checks and analyzes the public feeling on a 3-month basis. And they said in their report, that was published yesterday, that there had been a greater restoration of public confidence in the last 3 months than at any time in recent years.

I think this is indicative of how we have turned around affirmatively the attitude and the atmosphere of the American people. And I think for good reason. The rate of inflation has been cut in half, employment is going up, unemployment is going down, real income—and that is the real thing that people have to judge—has been increased.

We have started a comprehensive energy program. The Congress took much too long in its consideration of it—almost a year, in 1975, and its final version

was far from perfect, yet better than continued uncertainty and never-ending controversy.

Yes, we have saved quite a few billions of dollars by being firm with the Congress, trying to convince them that excess spending had many bad effects, not only as far as the Treasury was concerned but the economy as a whole.

I am accused often of not being able to cooperate with the Congress, and it is true that I vetoed 46 bills in this relatively short period of time, but 39 of them have been sustained. We went through, the other day, the record. In those 39 bills, where the Congress has sustained the vetoes, we have saved $13 billion in spending.

The net result of all that has taken place and transpired is that the American citizen has regained his confidence, it has been restored. But we have gone beyond just what has happened here in the United States. We can say that the free world has also moved both economically as well as otherwise. I can't say that their recovery economically has kept pace with ours, but all of them virtually, including Great Britain, have made some progress in meeting their economic problems at home.

But let me talk for a minute about what we can say and what we will do in the future. From the very day that I was privileged to take the oath of office, I made a fundamental decision that my administration would promise only what we can deliver, and we will deliver everything we promise. As President, I think the record shows I have challenged those who constantly want to expand the role of the Federal Government taking power from individuals, from local communities, and from the States. I don't believe that the Federal Government should just grow and grow and grow.

And we must never lose sight of one very basic truth—that a government big enough to give us everything we want is a government big enough to take from us everything we have.

There are, however, some things that the Federal Government can do and must do and with your support we hope they will do better. And let me mention just two.

It is fundamentally required that the Federal Government have a responsible, equitable taxing program, and it is equally important that we have a strong, alert, ready, well-equipped, well-led national security program.

Yesterday, I could not help but notice that the new Democrat-dominated House Budget Committee, in its deliberations—and this is vitally important—has rejected the additional tax reductions that I recommended to go into effect July 1 of this year, additional tax reductions that would give to individuals and

particularly those in the middle-income group, greater equity, an opportunity to spend more of their hard-earned dollars rather than coming through the Federal bureaucracy.

And those decisions in that committee also have precluded the additional incentives that I think are vital and required to stimulate business. I hope that we can undo or upset what this committee has done, but it is disappointing, to say the least, that they have already, in this critical committee, made this decision.

But while the committee does not want to cut taxes either individually or for business, it shows no reluctance to cut the defense budget. Now, to preserve our rising prosperity as well as our fundamental freedom, we require, as all of you know, a stable and a peaceful world. A strong defense is essential to achieve that objective.

The two defense budgets that I have submitted to the Congress, one in January of 1975 and the other in January 1976, were the largest in the history of the United States.

With the budget I propose for the next fiscal year, which the Congress got in January of this year, we have reversed a decline in real defense resources. The new budget would increase our strategic nuclear forces by $2,100 million in current dollars. It would increase our conventional forces by $6,800 million and bolster our defense research and development programs by $1,800 million. There are other significant increases as well.

Now, Californians are especially aware of our national security requirements. You know them not only because of the participation of your colleges and universities in research and development, not only because of your industry that makes significant contributions to our defense and security programs but you are on the border, so to speak, and everybody in this State has a great stake in what we are trying to do, whether it is in research and development or weapons procurement.

But what worries me and what should worry all of you is that over the last 6 years, including one budget that I submitted to the Congress, the congressional anti-Defense Department group—you can call them budget cutters—aiming only at the Army, Navy, Air Force, and Marines, have slashed defense expenditures by $32 billion.

Now, while slashing away at our military programs, the same group in the Congress, with some exceptions, has added substantial expenditures in a wide variety of marginal domestic programs.

Attacking our new defense budget, the House Budget Committee, the committee I mentioned a moment ago, now wants to cut the budget that I submitted in January by about $7 billion. This could damage our ability to match Soviet weapons and to maintain technological superiority.

I will not accept that reduction, which could also reduce our readiness by cutting the flying hours of our pilots, reduce the steaming time of our ships, deplete our war reserves, and lessen the combat readiness of our equipment and our personnel.

This group in the Congress, if they have their way, could ground tactical aircraft that would have to await repair. They could strain our Navy's capacities by having too many ships waiting too long for overhaul. They could jeopardize the training of our forces and America's ability to respond quickly in emergencies.

This trend in the Congress, which has started just a few days ago, must not continue, and as long as I have the opportunity we are going to prevent it from continuing.

As I think is obvious, I am particularly disturbed to find that the chairman of the influential committee in the House of Representatives has recommended this $7 billion reduction.

It is my fervent hope—and I make a plea to two Members of the House, but I don't think you have to worry about them—Clair Burgener and Pete McCloskey—it is my fervent hope that he and those who want to cut our defense appropriations will reconsider this very serious prospective action.

America's highest priority, as always, is the preservation of peace through strength. It is mandatory, if we want to reduce world tension, especially between thermonuclear powers; and I am determined that we make an honest effort to do so because there is no other rational alternative. Dave and I were talking about it here at the luncheon table. He knows, I know, many of you here may know, that if we don't get a responsible handle on the growth of thermonuclear weapons, the prospective problems—particularly if you have irrational people—are unbelievable.

But to reduce tension we must maintain a defense so adequate and so powerful that no potential aggressors will see America as lacking the will or the capacity to protect its freedom and to secure the peace.

As I have said before, under this administration, under my Presidency, I can assure you that the United States will never, never be other than at the very top. And when I say the top, I mean not only in military capability but

economic capability, industrial might, agricultural production. This is what we have to look at as we talk about the United States being number one. It is our economic, industrial, agricultural, our educational capacity, plus our military strength and will that gives America the opportunity to be the leader that it is.

As I look around the room here, talking about this subject, I think many of us will never forget the lessons of the 1930's and the 1940's and the history that was written on the great ocean that actually touches your coast.

Yet, in this election year, there are some who have forgotten history in the hysteria of a political campaign. I mention the chairman of the House Budget Committee who I think has recommended some very unwise actions. They say they don't want to lock—or I should say here he says—he does not want to lock a new Democratic President into continuing my defense programs. Parenthetically, for his information, I don't think there will be a new Democratic President elected in November. This same committee chairman has asked the Nation to put off—and those are his words—to put off action on our defense needs until after the election.

He has indicated that my administration should not be permitted to provide for our defense because it would bind in advance the hands of a Democratic administration which—and I quote precisely—"may have a very different philosophy."

Yet, in this very critical time and crucial period they would try to bind my hands and this administration in providing the continuity and the credibility so essential to America's defense success. They would play politics with world peace and the national security interest of the United States. They seek a strangely unilateral moratorium on America's security while the Soviet Union increases its defense expenditures.

I am determined, as I have been for 28 years in public life, to provide our Army, our Navy, our Air Force, and Marines with the full capability to deter aggression, to maintain our peace and freedom, and to protect our national security. The American people are entitled to no less, and we will not play Russian roulette with so basic an issue.

Our challenge, as I see it, yours and mine, is to maintain that 200-year-old dedication to our economic system that has done so much for so many people and for such a great nation. Our challenge is to have the courage and the will and the capability to stand tall and strong against any aggressor that would

destroy our freedom. I am an optimist. Together, we, and many, many millions like us, will work together to build a better America and a better tomorrow.

Thank you very, very much.

NOTE: The President spoke at 12:55 p.m. in the Grand Ballroom at the Sheraton Palace Hotel. In his opening remarks, he referred to David Packard, chairman of the luncheon, Mary Louise Smith, Republican National Committee chairman, Evelle J. Younger, attorney general of California, and Mrs. Paul Haerle, wife of the California State Republican chairman.

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Remarks at a President Ford Committee Fundraising Dinner in Los Angeles, California. *March 26, 1976*

Thank you very, very much, John, Ed Carter, my good, former friends in the Congress—Clair Burgener, John Rousselot, and Chuck Wiggins—Ev Younger, Bus Mosbacher, Your Eminence, and Rabbi Magnin:

Let me, at the outset, express my deepest appreciation to Cary Grant, to Leona Mitchell and to Howard Keel. If I had had my preference, I wish all three would have extended their time about three times. I would have enjoyed it a great deal more.

May I say to Cary that I really enjoyed his performance as master of ceremonies. I liked his style, I liked the way he did it, but let me contrast it to a master of ceremonies of a program that I attended last night. It was the annual dinner of the Radio and Television Broadcasters Association in Washington, D.C., and I was one of the guests. And they had as their master of ceremonies a young star on television called Chevy Chase. I don't know how many of you know him, but he has moved up very, very rapidly in the television business. He has a show on Saturday nights at 11:30, and the principal theme of his performance is mimicking me. [*Laughter*]

And he struck on a responsive chord a few months ago when there were some comments concerning my alleged clumsiness, and he has made a pretty good profession out of it. [*Laughter*] But, anyhow, last night, when he was introduced, there was a big audience in Washington, D.C., and he makes his entry down a center aisle and he stumbles all over as he finally gets up to the rostrum here, and he falls and, well, it goes on for about 5 minutes or more—it seemed like an hour. [*Laughter*]

But we were prepared for him. And if I may take a minute, we had some suspicion that he might do just this. So, we had a false tablecloth sitting where I was sitting, and he was on the other side during the evening meal, and we had

two of those big coffee urns filled with silver—knives, forks, and spoons—and as I got up following his very complimentary introduction, I pulled the tablecloth and all this fell down and made a lot of clatter and made a big hullabaloo.

And then I came to the podium and I had my speech book, and I had it on top with about 40 or 50 pages, and I put my speech book down like this, and I put the other things up like this, and then they all went down like that. [*Laughter*] I hope I did not throw away your notes.

And then I turned to Chevy Chase and said, "Chevy, you are a very, very, very funny suburb." And I concluded with saying, "I'm Gerald Ford and you're not." [*Laughter*]

But then, if I might—as you can see, I enjoyed your being master of ceremonies much more tonight, Cary, but I do appreciate very much Leona Mitchell's rendition of some of my most favorite songs. And although I am not an expert in the Metropolitan Opera, I certainly appreciated that wonderful voice and that selection.

Howard Keel sang from my favorite musical comedy, "Oklahoma," which brought to my mind an incident that happened when I was the Republican leader of the House for five terms. Every year, when a new Congress convenes, or every 2 years, the defeated minority candidate for the Speaker of the House has to act very generous in presenting the elected Speaker even though you wished you had gotten enough votes in the previous November election to prevail. And after I had done it three times as a generous gesture to Speaker McCormick of Massachusetts, the Democrats came up with a new man, Carl Albert, from Oklahoma.

Well, the truth is "Oklahoma" is one of my favorite musical comedies, and I was trying to think of some new way of introducing the new Speaker after he had defeated me about 240 to 180, or whatever the score was. And I was trying to change from Boston, Massachusetts, to Oklahoma. And I talked to Bob Hartmann who has been with me for a number of years, and I said, "Bob, we have got to find a new way to do it," and I mentioned casually that "Oklahoma" was a favorite. So, he came back with this version, Howard. He said, "Why don't you do it this way?" So, without singing it, I will go through the words as we did it. It goes something like this: "Oh, what a beautiful morning, oh, what a beautiful day, if I had 40 more votes in my pocket, everything would be going my way." [*Laughter*]

I certainly want to thank Ed and John in particular, but I do want to thank all of you who are here this evening and giving your support to our efforts. And I thank all of you on behalf of Betty and myself and Steve also. And let me say

without any hesitation or qualification, we won't let you down for the next 4 years.

I am obviously delighted to be here this evening, and with a simple, straightforward message that I think is in keeping with this very happy occasion. The message is simply this: 1976 is going to be a great year for the Republic and a great year for the Republicans.

I can see the good signs and so can the American people. They are the signs of a rejuvenation, the signs of health and vitality returning to a country that not too long ago seemed frozen in a long, long cold winter. I am sure you vividly remember what our economy was like last year, although I am sure many of us would like to forget it.

But you may not remember what some of our opponents were saying a year ago, and I am sure they would like us to forget their doom and gloom predictions of about 12 months ago. For example, in February of 1975, George Meany [1] warned that everything was pointing downward, down to a depression. He forecast that there would be a 10-percent unemployment rate by July, that it was inevitable.

And in February of 1975, a leading spokesman of the Democratic Party, a good friend of mine, Hubert Horatio Humphrey, said, "Unless we take some very concrete and effective action very quickly within the next 60 or 90 days, I think we would be approaching what you would call the dimensions of a depression."

Those prophesies were false, and we knew they were false from the very beginning. We had far more faith than they did in the great American economic machine.

We weren't about to give in to the temptation of quick fixes and very empty promises. I pursued a steady, balanced policy aimed at ensuring our Nation's long-term economic health, not just for a week or for a month, not just for an election but for the long term.

I fought hard, and the odds on occasion were pretty tough. We fought against the shortsighted approach then, and I am going to keep on fighting against it now and for the next 4 years as well.

They have great imagination. In case you haven't heard, they are cooking up a new legislative miracle potion with a very attractive label. This one has some very familiar names on it—Gus Hawkins and Hubert Humphrey.

If there ever was a bill or proposed legislation that promised more than it can deliver, this is it. There is a curious consensus that this bill is bad news. Conserva-

[1] AFL–CIO president.

tives say it would lead to a planned economy similar to those in socialist countries.

Some liberals say they doubt whether the Government can simply wave a magic wand and achieve specific numerical goals for unemployment, interest rates, and who else knows what. A labor economist who supports the bill says, "It will do very little for the working poor."

And practically everybody says that this bill does not take into account its own inflationary impact on the national economy. You can't get Hubert Humphrey or Gus Hawkins to tell you how much the bill will cost. Maybe they don't know or maybe they are just afraid to tell us.

But whatever its cost is, is probably much too much, and I can assure you that if this bill gets to my desk in the Oval Office, I have got a ready veto stamp on it.

The facts are, we are on the road to prosperity in this country, and we are not going to take any wrong turns at this point in the road. The fact is that today the American economy is good and getting better all the time. Inflation is way, way down, less than half of what it was, and we are going to keep it going down.

Unemployment is going down too. We have recovered almost unbelievably all the jobs numerically that had been lost during the depths of the recession in March and April of last year. We are back up to 86,400,000 gainfully employed, the same record of several years ago, before 1973 and 1974.

We are going to keep America working. I am going to keep up the pressure in the right way until every American who wants a job has a job. The fact is that people in this country have more cash and they have more confidence than they did when I became President 19 months ago. And because they have that renewed confidence in themselves and in their country, they are going to use that cash.

That is why retail sales have been rising steadily. That is why we have seen a substantial increase in new car sales and the purchase of durable goods. And that new confidence is why American consumers are going to keep up their demand for the great products that America has to offer.

One recent survey looked at how many Americans plan to buy a car in the next 6 months and found the highest percentage in 9 years. The same survey looked at how many Americans expect their personal income to rise in the next 6 months and found the highest level in 7 years. Another survey looked at how many Americans are in the market for stocks, bonds, mutual funds and found the first clear increase in over 2 years.

These are all signs of a springtime economy. These are some of the signs that show our recovery is going to be full and complete and that the American economy is going to be just as strong and healthy in the future as it has been in the best years of the past.

I am going to make sure that our economy stays on the right track. I am not going to risk our economy or our recovery by giving way to another onslaught of the budgetbusters in the Congress.

Some of you may know that I have already used my Presidential veto 46 times in the last 19 months. They tell me that is a record. But we have gotten the Congress, or a sufficient number of them, to sustain 39 of those vetoes, which means that we were able to save you and all of the American taxpayers $13 billion. And that is not bad.

I want to thank Chuck Wiggins, Clair Burgener, and John Rousselot, who are here. Without checking the record, I would say that the odds are that they voted to sustain 39 out of those 39 vetoes. But if this spendthrift Congress—and they know it better than I—comes back to me with more reckless spending bills, then I am going to use my veto again and again and again.

We are going to hold down the cost of living by holding down the cost of government. We are going to make sure that your tax dollars work as hard for you as you do for them. The Democrats in the Congress have a slightly different idea. It looks like they are going to send me a budget for the next fiscal year some $20 billion more than I recommended in January of this year. And on top of that, they are talking about taking away the $10 billion tax reduction that I recommended to go into effect on July 1.

That may be the Democrat's idea of fiscal responsibility, but let me tell you, Ford has a far better idea. My idea is to cut the growth of Federal spending and give the tax cut to you and to millions of others who need it and deserve it. And to the best of our ability we will do so in 1976.

Our experience in the last year and a half has shown once again that the American economic system is strong and capable of meeting great, great challenges. Our experiences have confirmed our belief in the great, free economic system and the great, free society established by our forefathers 200 years ago. And the returning strength of other free economies—in Europe, in Japan, and other parts of the world as well—is now adding to that momentum of our own recovery here in the United States.

Our experience in the last year and a half has also shown that the administration's policies have been the right ones. The mistakes of the past have taught us to recognize that short term solutions are what they are—no answer. Quick-

fix solutions can look very attractive, particularly if they have a beautiful label, especially to a Democratic Congress in an election year.

But only a steady, long term policy will lead us to a sound and prosperous economy with full employment unburdened by a high rate of inflation. Obviously—and I am the first to admit it—we have not licked all of our problems yet. Frankly, the figures lately have been even better than we had expected. And I would not be surprised or discouraged if we occasionally saw a few figures that are not quite as good in the months ahead. But the trend is right, and the trend is strong, and we are going to keep it that way.

The figures are good but the United States of America is not composed of statistics. It is composed of people. And when those people feel good about where they are going, as they do now, then this country is clearly headed in the right direction. And when the people feel that way, it means they want continuity and stability, they don't want to change horses in midstream. I don't think they want to trade in their Ford for another model in 1976.

As I travel around the country, it is very clear to me that the majority of the American people are now returning to Republican values that I have always stood for and voted for during my quarter of a century in the Congress. I knew they were the right ones then; they are the right ones now. And we are going to keep them in the record book for the next 4 years.

If you want to see what I mean, just take a look at some of the popular themes being talked about by the Democrats in 1976. Just listen to this quotation: The average American is fed up with footing the bill for high-flown, unplanned bureaucratic schemes which fail to deliver effective services. I didn't say that. Bill Simon didn't say that. Barry Goldwater didn't say that. We could have said it, but that particular quotation came straight from Jimmy Carter, the Democrat's leading contender in the primary races.

And Mo Udall, my very good friend with whom I served in the Congress for many years, the most liberal of the leading Democratic candidates, does not even call himself a liberal any more. He says the word "liberal" is associated, and again I quote, "with big spending, wasteful extravagance in government."

Well, some of us have been saying that for years. They seem to be a little slower in getting the word, but better late than never. Those are some of the borrowed ideas that the Democrats are using to appeal to the American voter this year, along with some other ideas that sound awfully familiar to some of us Re-

publicans. And that is why we are going to meet the Democrats in November, no matter who their nominee is—whether it is Jimmy Carter, Scoop Jackson, Hubert Humphrey—because we have had a lot more experience with and dedication to the ideas that they are now espousing.

They have just changed their tune, but we have been singing the same song a long, long time. And that is the song that the American people believe in now and they will believe in, because it works, and they want success and progress.

The Democrats are just beginning to recognize the basic truth that I have maintained, and others have, for a long, long time, that a government big enough to give you everything you want is a government big enough to take from you everything you have.

It is my full intention to keep on giving the American people straight talk instead of empty promises. The administration is going to continue its policy of promising only what we can deliver and delivering everything that we promise.

The only promise I am going to make here tonight is that we are going to win in Kansas City in August of 1976, but we are also going to win in November—all across the land.

May I say a word about a subject that John McCone mentioned—I have talked about the bread and butter. As John indicated, I served most of the time that I had the privilege of being in the Congress on the Defense Appropriations Committee—some 14 years—and had the opportunity during that period of time to listen to all of the top witnesses, Secretaries of Defense, Assistant Secretaries, and Chairmen of the Joint Chiefs of Staff, and on down. And I can say from that experience and as Vice President and now as President, that the United States of America has a capability that all of us should be proud of.

We are number one. When you take into consideration our great economic system, our industrial capacity, our agricultural production, our commercial strength, and our military capability, this country is number one in competition with anybody else. And when you add to that formula of military strength, economic power, and agricultural production, the one great ingredient of moral strength that we have in America, we have no fear whatsoever as to the future of our country.

But let me close by simply saying that anyone who doubts that we will win in Kansas City and finally in the country in November—let me quote the words of the distinguished conservative philosopher, Edmund Burke, who said, "He that

wrestles with us strengthens our nerves, and sharpens our skill. Our antagonist is our helper."

Thank you very much.

NOTE: The President spoke at 10:02 p.m. in the Los Angeles Room at the Century Plaza Hotel. In his opening remarks, he referred to John A. McCone, chairman of the dinner, Edward W. Carter, finance chairman of the California President Ford Committee, Evelle J. Younger, attorney general of California, Robert (Bus) Mosbacher, national finance chairman of the President Ford Committee, Timothy Cardinal Manning, Archbishop of Los Angeles, and Rabbi Edgar F. Magnin of the Wilshire Boulevard Temple in Los Angeles.

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Exchange With Reporters on Arrival at Fresno, California. *March 27, 1976*

GOOD MORNING everybody. It is nice to be in Fresno. We have had a good day and a half in California. Any of you with the local press that would like to ask questions, I would be delighted to try and respond.

REPORTER. After a day and a half, are you ready to predict how you will do?

THE PRESIDENT. I think we have to recognize, for practical reasons, we started from behind, but I am very impressed with the people that are heading up the organization, and I am encouraged by what I understand are the great, great many volunteers that are participating. And I think by the time the primary comes in June we will be in very good shape, and we will sure do our best.

Q. Any more thoughts on Governor Reagan as a running mate?

THE PRESIDENT. Well, as I have said a good many times, we have many, many outstanding Republicans who are potentially outstanding Vice-Presidential candidates and certainly Governor Reagan would fit on that list without a question.

Q. Mr. President, NBC News has reported some teamster officials feel that they are immune from investigation or prosecution by your administration. Do you have any response to that?

THE PRESIDENT. Anything that involves a criminal investigation or prosecution I don't think it is appropriate for me to comment on. We have an outstanding Attorney General in Ed Levi, and I am sure that he will handle it properly. I am sure that he will handle it in the high standard that Ed Levi is known for.

Q. Now that Mr. Carter is considered a serious contender, do you plan to do anything differently?

THE PRESIDENT. Not at all. We are concentrating on the Republican side, and I will let my good Democratic friends resolve their problems.

Q. Mr. President, Woodward and Bernstein [1] are being quoted quite a lot from their latest book saying former President Nixon had been threatening suicide and drinking heavily in his last days. Could you comment at all on that?

THE PRESIDENT. I have not read the book. I can only say that in my personal experiences in those last few days I saw no evidence of it.

It is very nice to see you all. It is beautiful here in Fresno. I wish we could stay longer, but we will be back.

Thank you very, very much.

NOTE: The exchange began at 11:10 a.m. at the Fresno Air Terminal.

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Remarks in Fresno at a Meeting of the Republican State Central Committee. *March 27, 1976*

Paul Haerle, Congressman John Rousselot, Congressman Al Bell, Congressman Clair Burgener, and if Barry Goldwater, Jr., is here—Barry, it is nice to see you again—Ev Younger, Mayor Pete Wilson, distinguished members of the State legislature, delegates, and guests:

It is a very high honor and a very great privilege for me to be here in Fresno and to participate in this Republican State Central Committee meeting of the great State of California. Let me pay my deepest respects, of course, to the wonderful people of Fresno, the hosts of this convention. I appreciate their very warm welcome, and I am deeply grateful for the opportunity to say a few words here this morning.

Let me add a very special word of encouragement and support for the Republican Women's Task Force, and especially for the 27 outstanding women who are candidates for the State legislature, as well as the United States Congress this year. I wish you all the very, very best.

It is my understanding that this is more than twice the number of women who ran for office in this area 2 years ago. I think this is a great and I hope a growing trend, and I hope the example that you set here in California will be followed in every one of the States of our great Union.

Obviously, I wish that I could stay for your reception and dinner tonight with my good friend and, I think, our great national chairman, Mary Louise Smith,

[1] Bob Woodward and Carl Bernstein, coauthors of a book on Richard Nixon's Presidency, entitled "The Final Days."

but Betty wants me to get home tonight. And, as all of you well know, Betty and I never disagree about anything. [*Laughter*]

Let me also thank those of you who participated in this morning's precinct walk. Grass roots politics is a lot of hard work, but it also can be an awful lot of fun. And I hope that all of you, as you did this constructive work in the city of Fresno, did enjoy it.

We who are in public office know very well the great contribution that this kind of an effort does, and I hope and trust that in the months ahead that you can do it in every community in every State, because it produces results. I congratulate you, and thank you for all of us who are the beneficiaries of your efforts.

We meet in 1976, in a year of important decision for the America people, a year in which they will choose their political leadership for the remainder of the 1970's, a year which begins in the third century of American independence.

I am waging my campaign this year on the powerful issues of freedom, peace, and rising prosperity for the American people. This is a record of solid accomplishment, which I am presenting to the American people, the record that we have tried to build in the 19 months that I have had the honor and privilege of being President of the United States.

In those 19 months, we have cut the inflation rate in half. In this year's Federal budget, I have cut the rate of growth in Federal spending also in half. We have recovered 100 percent of the jobs Americans lost during the recession, the worst recession in the last 40 years. Consumer confidence is more than double what it was a year ago. Industrial production is up, housing starts are up, personal income is up, prices are stabilizing.

There can be no doubt whatsoever that America is on the road to a new prosperity, and we are not about to take any detours now thrust upon us by a Democratic Congress.

We will pursue a steady, constructive, firm course, the same kind of a course that I chartered for America at the outset of the recession when I proposed tax cuts for individuals, tax incentives for business expansion and job production, and extended assistance for those Americans who lost their jobs during the recession.

I rejected the attempts of the Democratic majority in the Congress to try and spend our way out of the recession rather than doing it the typical American way of working our way to prosperity. In fact, I vetoed 46 bills in the last 19 months, and they tell me that is something of a record. If it is, I am darned proud of it. But the most important record is that we got the Congress to sus-

tain 39 of those 46 vetoes, and I am very happy to report to you that we saved the American taxpayers $13 billion in the process.

Obviously, with more Republicans in the House and Senate, we could have done even better and that is the challenge that we all face in 1976. In the Senate and in the House of Representatives in Washington, D.C., Republicans are outnumbered better than 2 to 1; those are tough odds. I know in the State of California, in the House of Representatives, you have an outstanding delegation. They are high in quality, the best, but doggone it, we need more quantity.

I know that John Rousselot down here has been working as the chairman of the Republican delegation in the House of Representatives for the State of California to recruit candidates, to help to elect them. And I know that we are trying desperately in this State to elect a Republican United States Senator.

And although I think it is fairly important to get a good vote for our candidate for President in the State of California, it is vitally important that we elect a Republican United States Senator in California and a lot more Republican Congressmen from the State of California.

We have been talking about those vetoes, and I think those vetoes which were made and sustained were done without weakening our economic recovery and without straying from the steady course of economic stability and economic growth which I have pursued and we will pursue in the next 4 years.

We will also pursue a firm, steady course internationally. We cherish the peace that America enjoys today, the peace that finds no Americans in combat anywhere throughout the globe, and yet we know that the freedoms we have defended so often are being challenged today. We know that our strength, our power, our constant vigilance and our resolve, our will, are the foundation of mankind's hope for peace and stability throughout the globe.

In the last 19 months, I have taken affirmative action to ensure that America's alliances are strong, our commitments are worthwhile, and our defenses are without equal in the world, in this controversial globe in which we live. And let me assure you without any equivocation, hesitation, that we are going to keep those defenses the best.

The record is clear. We are strong enough to deter aggression, we are strong enough to maintain the peace, and we are strong enough to protect our national security and keep America free. In my Presidency, I have proposed to the Congress the two largest peacetime military budgets in the history of the United States, reversing a trend that was reducing our defense expenditures year by year to levels dangerously low. Our aim is to make peace secure throughout the world.

We are conducting our foreign policy with our eyes open, our guard up, and our powder dry. We know that peace and national security cannot be pursued on a one-way street, but we also know that a return to a collision course in a thermonuclear age can leave the human race in ashes.

I will not lead the American people down the road to needless danger and senseless destruction. I will lead them to the path of peace through strength, and we will live in peace and freedom in the United States of America.

When we look at this great country, 50 States and our territories and 215 million Americans, we know that when you combine our industrial strength, our tremendous agricultural productivity, our scientific and technological capability, our military strength, our moral and spiritual commitment—the United States, by any standard, is number one, and we are going to keep it there. This adds up to something that I can say here and will say across the length and the breadth of the United States, we are proud to be Americans, and we are proud of America.

The peace that we enjoy and the prosperity within our sights, these are the clearest guideposts to victory in November. And in 1976 they are both on the Republican side of the road. Our victory this year will be important to America for years to come. It will be a clear signal to our own citizens, to our allies, and to our adversaries, that we will stand tall and strong among the nations of the globe. It will be a mandate to continue the policies of economic strength and growth, of limited government, of decisionmaking at the local and State level, of fiscal restraint and tax relief, which so many millions and millions of Americans are demanding and to which our party has always been committed.

Our victory this year will be a covenant with the American people to promise only what we can deliver and deliver everything we promise. It will be a recognition by the American people that the government cannot do everything and should not be expected to.We should never forget one very basic truth—a government big enough to give us everything we want is a government big enough to take from us everything we have. But it will also be an agreement with the American people that whatever government does, it must do better and more efficiently than it has in the past.

History may well record that the election of 1976 was a landmark in American politics. All of us are very, very fortunate to have a part in this great effort, and each of us has a very special role to play. The grass roots politics that you practiced this morning is every bit as important as the grand strategies of national campaigns. In fact, none of those strategies can succeed unless we succeed at the grass roots level.

I commend you, and I thank you for all of your commitment to the Republican cause. It is a cause to which I have been firmly committed for more than 27 years of public life as a Member of the Congress, as a Republican leader of the House of Representatives, as a Vice President, and for the past 19 months as your President.

In those 19 months alone, there has been great progress in combating the serious problems that beset our Nation, in putting America at peace with itself and all the world around us. There is much, much more to be done, and we will do much, much more in the 4 challenging years ahead.

As you walk the precincts of the great State of California this year, I invite you and all Americans to walk with me on the path of peace, on the road to prosperity, on the way and the path and the road to victory in November of 1976.

Thank you very much.

NOTE: The President spoke at 12:13 p.m. in the Grand Hall, Exhibit Hall Building, at the Fresno Convention Center. In his opening remarks, he referred to Paul Haerle, California State Republican chairman, Evelle J. Younger, attorney general of California, and Mayor Peter Wilson of San Diego, chairman of the Southern California President Ford Committee.

Following his remarks, the President attended a State Republican Committee and President Ford Committee meeting in the Conference Room at the center.

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Exchange With Reporters on Arrival at La Crosse, Wisconsin. *March 27, 1976*

IT IS great to be in Wisconsin, and one can't help but be greatly impressed by the warm and friendly and very large turnout.

La Crosse has always been one of my favorite cities. I was here in 1972, and, of course, I have been in Wisconsin, generally, a great many times over the years campaigning for Members of Congress and others. So, it is just nice to be back, and we are going to be back some more. With that, I will be glad to answer any questions from the local press.

REPORTER. Mr. President, the head of one of Wisconsin's milk marketing co-ops has criticized your administration for opposing a bill which would not set standards for foreign dairy imports equal to those of domestic products. Do you indeed feel that they should be equal?

THE PRESIDENT. We have the Department of Agriculture looking into that at the present time. I think the matter is under review and the Department will make a recommendation to me.

Q. Mr. President, Karl Hess, who was the principal author of the 1960 and '64 Republican platforms, has dropped out of society—he is living in a homestead in West Virginia. In the March 25 Rolling Stone he predicts that we might be witnessing the downfall of the Republican Party. In his words, it is abandoning the middle class it once seemed to so solidly signify and that is has become the party of the rich and the party of big business. How would you respond to those charges?

THE PRESIDENT. That is categorically wrong. If you will go back and look at the tax reduction recommendations that I made a year ago and reiterated this year, I strongly recommended to the Congress that there be greater equity and greater reductions made in tax cuts for the middle class. So that, in and of itself, I think, indicates to Mr. Hess that he is totally wrong.

Q. Mr. Ford, any indication that the Soviet Union or Cuba has heeded your warning?

THE PRESIDENT. There has not been any action taken that we would define as adventurism, such as they did in the case of Angola. I hope they understand what we said. We said it very plainly, and I can assure you we mean it.

Q. Mr. Ford, what is your stand on revenue sharing?

THE PRESIDENT. I am a strong advocate of revenue sharing. I led the fight in 1972 to get it enacted in the first place, and it has brought or will bring by the end of this year to the State of Wisconsin about $750 million. It will bring to La Crosse County, as I recall, about $3 million, and it will bring to La Crosse City about $3 million.

I recommended a year ago that the Congress extend general revenue sharing for another 5¾ years, which would mean that the State of Wisconsin would get over a billion dollars during that period. And, as I recall the figures, La Crosse County and La Crosse City each would get about $5 million.

So, I am a firm believer in the program. I think it is the right approach. It gives Federal money to local communities and to States so that they can make the decisions as to where they want those resources expended at the local level.

Q. Mr. Ford, who would you rather have as opposition in November for the Presidency?

THE PRESIDENT. I don't really have much choice on that, but I happen to think that my good friend Hubert Humphrey will be the nominee. The rest of them are all nipping at one another and not getting, as I see it, sufficient Democratic delegates to prevail when they go to New York City next July. So, it is my judgment that in the final it will be a brokered convention and Hubert will probably be the winner.

Q. Is there present a situation, sir, in which you would consider military action in Cuba?

THE PRESIDENT. Well, I would not speculate on any possible diplomatic or military actions because we hope that the words we have said will be understood and it won't be necessary or required.

Q. Mr. President, would you support reconstruction aid to North Vietnam in exchange for names of POW's or MIA's?

THE PRESIDENT. All we have said—and I said it in Honolulu when I came back from China in December of last year—is that we look to the future rather than to the past and that as a result of a congressional delegation that went to Hanoi several months ago, it looks like there is a distinct possibility that we will start talking. But there are no commitments, and anything that was done is absolutely predicated on a full accounting of our MIA's. And where we go from there is a matter of discussion.

Q. Do you support further study on solar energy?

THE PRESIDENT. I certainly do. When I was considering the makeup of the budget for the next fiscal year I increased research and development funds in the solar energy area by about 40 percent. In fact, as I recall the figures, in this current fiscal year we are spending around $80 million, and I increased it about 40 percent for the next fiscal year. This has a great potential long-range payoff, and I think we have to get on to the basic and the applied research as quickly as possible. And the figures that I put in the budget for the next year indicate my strong support for that program.

Thank you all very much.

REPORTER. Thank you.

NOTE: The exchange began at 7:05 p.m. at the La Crosse Airport.

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Remarks and a Question-and-Answer Session in La Crosse. *March 27, 1976*

Thank you very, very much, Dr. Gunderson. Governor Knowles, Mayor Zielke, reverend clergy, ladies and gentlemen:

Let me say first of all, it is great to be in God's country tonight. This is just an unbelievable reception, and I thank all of you who are here in the Sawyer Auditorium, and I hope and trust that the PA system is working outside. I want

to thank all of those people on the outside—just unbelievable—and we will do our darndest to say hello to them after we conclude the program here.

But let me also say when you get a welcome like this, the temptation is to stay maybe overnight. But on the way from California to here, I called Betty, and she said—I hope she meant it—that she wanted me home tonight. And you know I never disagree with Betty. [*Laughter*]

I think it is awfully easy to see as I drove in—and of course I was here about 2 years ago—why La Crosse was chosen over 243 other cities last year as the number one small metropolitan community in America. And I congratulate you for that wonderful, outstanding achievement.

At that time, I sent a letter of congratulations to your fine mayor, Pat Zielke. When that announcement was made, then coming here and seeing it all in person, I can see why all of you were so very, very proud of it. You should be proud, I think, of the way you have successfully maintained a very workable and a very beneficial balance between preservation on the one hand and progress on the other.

It is my observation that La Crosse, of almost any city in the country, big or small, has found the key that makes for good living. A thriving city and fertile farmlands are in peaceful coexistence here in this community in this area. And the sheer physical beauty of La Crosse is really something to behold.

Your people are strong and forward looking, your commerce is diverse, and in many ways La Crosse is almost a good America in miniature. You have enjoyed a very rich and a very exciting history, as America has. You have had your share of problems, as America has. But your accent has always been, as I read your history, on the future, just as America's must be. The year 1976 is a vitally important, very critical year for America. It is critical for Wisconsin. It is critical for La Crosse. It marks a turning point for our country as we enter the last quarter of the 20th century and begin the third century of America's great history.

It is good for us sometimes to take stock where we have been, where we are right now, and where we are going as a people, as a city, as a State, and as a nation. But as we look back over the last two centuries of America's history, the pages of history tell us that America has come a long, long way in this last 200 years.

We have grown from a very small, poor, weak, struggling collection of 13 colonies to become the greatest nation in the history of the world. Your ancestors right here in the great State of Wisconsin helped to conquer a vast and very dangerous continent and made the heart of America very strong.

Together we have come through wars, depressions, droughts, riots, assassinations, scandals, practically everything that fate could throw at us. But we have also enjoyed some phenomenal economic, technological, and social progress in America, and that progress has made America the envy of all people and all nations throughout this world.

Despite all of the problems we have had, I don't think any of us—I have talked to few, if any, Americans who would trade places with the people in this country with people in any other country, and for very, very good reason.

We hear a lot of talk these days about America being in a state of decline. We hear that America's best days are behind us. We hear that America is only a second-rate power in this area or in that area. That is dead wrong. And frankly I am sick and tired of hearing people who are always running down America. I am proud of America, and I am proud to be an American, just like every one of you are. I believe very deeply in the people of America, in the kind of government we have. I believe in its values, its traditions, its institutions. I believe in America's future.

We have the capacity in this country to do just about anything we want that we set our minds to accomplish and to achieve. America today remains the best hope of peace, the strongest guardian of freedom. We are pursuing a policy of peace through strength. And all of us in America cherish the peace that America enjoys, the peace that finds no Americans in combat anywhere in the world tonight. But to maintain that peace, to deter aggression, to protect our national security, America must be strong. I happen to believe, as we look at the total, America is number one.

America's industry is unsurpassed. American agriculture is the most productive, the most efficient. We produce more food and fiber than we can eat or wear, and we do it with the finest hands and the greatest lands and the best equipment. We have the greatest science and technology capability in the history of mankind. Our military capability is second to none. But there is one thing that is even more important than all of that. America is morally and spiritually number one, and that will be the driving force to keep us moving so that America and all its people, its government, will be number one forever.

As I said, America's agriculture—its agricultural power is the most prolific producer of food and fiber in the history of mankind. That is a credit, in large part, as I see it, to the dairy farms and other farms right in this area and throughout the Middle West, and, well, just all over this country. And La Crosse and Wisconsin play a very significant part in it.

Many of these farms have been in the same family for generation after generation. And anyone who knows farmers, knows what they do, and knows farm families, know that we want the family farm to survive and thrive in America. We want to make it easier for people to pass on their farms, the product of many years of hard work and love and faith, to their sons and to their daughters.

We want to make it easier to keep those farms in the family rather than sacrificing it to the tax collector. In order to achieve this, to maintain this capability of holding a farm within a family, I have proposed to the Congress two legislative recommendations. One, to stretch out estate tax payments at a greatly reduced interest rate over a 25-year period. And, second, I have proposed an increase in the estate tax exemption from $60,000—it was established at that level in 1942—to $150,000.

These proposals, if enacted, and I hope and trust the Congress will move, would help not only family farms but family businesses as well. And I suspect in a community like La Crosse there are many small family-owned businesses that are an important segment of our economy, that can and must be kept within the family for the same reasons that we want family farms retained by one generation after another.

But let me talk for a minute about some of the economic problems we have had for the last 24 months, most of it occurring in late 1974 and early in 1975.

Yes, as Dr. Gunderson said, we were hit with the worst recession in 40 years, but thanks to some very strong commonsense policies that I initiated at the outset of the recession and thanks more importantly to the determination, the courage of the American people, we are working our way out of our economic difficulties.

One favorable economic factor after another pointing the way, we are on the road to economic recovery and prosperity in America, and we are picking up speed every day. Even with the very severe setbacks that we suffered, America today is the most economically powerful nation in the world. And with all the trends in the right direction, employment going up, unemployment going down, with the rate of inflation getting lower and lower, with public confidence leaping forward, with housing starts up, with automobile sales greater, America is showing that we have faith in this great free enterprise system.

We did not panic when the problem got bad; we did not succumb to any quick fixes that would have called for the people to go and work for the government. We recognized that five out of the six jobs in this country are in the private

sector so we had to stimulate the private sector with sound economic policies. And when we see the results, we know we were right, and we are going to keep the same solid, steady, firm, constructive programs in the future. And we are not going to buy any quick fixes that some are trying to throw at the American people in an election year.

You know, over the 19 months that I have been honored to be your President, I vetoed 46 bills. The statisticians tell me that's a record. Well, 39 of those bills have been sustained by the Congress. And I appreciate that at least one-third of the Congress on 39 out of those 46 occasions did sustain my vetoes.

I am pleased because those vetoes that were sustained saved the taxpayers of this country $13 billion. And if this Congress sends down any more big budget-busting spending programs in an election year, I am going to veto them again and again and again and again.

You know, there is one basic truth that I think we all have to understand. I think it cuts across almost anything. I like to phrase it this way: A government big enough to give us everything we want is a government big enough to take from us everything we have.

And so as we try to hold down Federal spending on the one hand and try to hold down the growth of government on the other, we have to have a firm course to protect the best kind of government, the best system of government that man ever fashioned or put together. It is a system that we have that was given to us by our forefathers, laid out with great care and at a great price by patriots yearning for freedom.

We must make certain and positive that this government lives and grows and thrives. It is a government that must never be the master of the people. The people must control the government. We want the freedom in America to choose our own course, our own lives, to chart our own future on our own terms without having the government tell us everything we can or cannot do.

As we look back, America has prospered because that kind of government, compared to any other, has shown the light and shown the way. Yes, the major contribution of our government has been to give people the freedom to do things by themselves—to explore, to invent, to build, to learn, to speak, and to prosper. Eight generations of Americans have enjoyed this freedom and made the most of it. What other nation can match the combined economic, agricultural, technological, and military and moral strength of America?

Yes, the elections of 1976 will play an important role in deciding what course

we chart for America's future. In the last 19 months, we have made a lot of progress by doing what is right, but there is much more to be done.

But if I might add a comment, I don't think there is any reason to trade in your Ford on another model in 1976. And, therefore, I invite you all, our Wisconsin neighbors from Michigan, to walk with me in the path of peace on the road to prosperity and the way to victory in 1976.

Why don't we all sit down and get to the questions. This is the greatest audience. I have to call Betty and get her to change her mind.

QUESTIONS

NATIONALIZED MEDICAL SYSTEM

[1.] Q. In view of all the news items about social medicine in Britain, do you feel that socialized medicine in the United States could succeed without being a burden to the taxpayers?

THE PRESIDENT. I think any nationalized medical system, anything comparable to that which they have had in Great Britain and in a number of countries, won't work, and I would vigorously oppose it.

HONESTY IN A PRESIDENT

[2.] Q. I have a Ford, and it is for sale. I want to know if you are, too. This goes along with, I think—after the wake of Watergate, a lot of people are wondering is it possible to be President or to run for President without getting involved in some sort of corruption?

THE PRESIDENT. I think that is a very good question, and the answer is a person can be a President, he can run for President and be totally and completely honest.

FEDERAL RESEARCH AND DEVELOPMENT FUNDS

[3.] Q. Mr. President, I have a question concerning our technological progress. What changes do you propose, if you are elected in 1976, in the way the Nation's scientific effort is conducted, and particularly, are you willing to give greater stress to basic research as opposed to applied research?

THE PRESIDENT. In the budget that I submitted to the Congress for the next fiscal year—I submitted it in January, it is for what we call fiscal year 1977—I made a very conscious decision to increase research and development funds for the Federal Government by 11 percent, and I specifically increased basic research money in the Federal Government by, I think, 14 and 15 percent.

It is my strong belief that basic research, even though it is not as glamorous, is not as spectacular, is fundamental if we are going to be able to use what we have in the way of applied research.

Now, in certain areas in the fiscal year 1977 budget, I added more and did not add as much in others. In the area of energy research, we increased the funds on an average of about 31 percent. In the area of solar energy, as I recall, we increased the funding some 40 percent; in geothermal, a significant increase. But across the board, in the Federal Government, the recommendations from me as President to the Congress showed an 11-percent increase in research and about a 14-percent increase in basic research money.

And I might add that was not easy in a year when we were trying to cut back on expenditures in a good many other areas. But I have a firm belief that if America is to continue to move ahead and to keep ahead, we have to have not only as much funding as we possibly can in basic and applied research by the Federal Government but we have to offer incentives for industry, for industry itself to spend its funds in the area of both basic as well as applied research.

AMERICA'S LEADERSHIP ROLE

[4.] Q. I was inspired by a song I believe John Wayne recorded not too long ago about how the Americans are always going out for other countries. And, well, you know, as soon as some country is in trouble, right away America gives them their help, and when we need help, the other countries don't lift a finger for us. What do you have to say about that?

THE PRESIDENT. I believe that the United States, because of our size, our strength, not only in material things but morally and spiritually, we have to assume a leadership role in the world. Maybe we don't necessarily like it every time the burden is thrust on us, but fate has given us certain great assets, and when those assets are given to us, we have an obligation, in my opinion, to help others in a responsible and a reasonable way.

It is my feeling that America is looked upon by people all over the world and that where we can, we ought to help the underdeveloped nations. Where we can, we ought to help nations or people who want freedom in nations where it does not exist. Now, that does not mean we have to go all over the world on every occasion, but I think the leadership role that has been thrust upon us by fate we must assume for freedom and for survival. And, therefore, if we do it right, we can continue to have that leadership role, which I think is something we should be proud of, if we use it well.

U.S. MILITARY CAPABILITY IN INDIAN OCEAN

[5.] Q. I am a citizen of Australia, and I wonder, in light of that, if you could tell me the attitude of your government and your naval forces to the Indian Ocean, especially Diego Garcia [1] and things like that?

THE PRESIDENT. The policy of the United States Government in reference to the Indian Ocean is that we should have a minimal military capability on the island of Diego Garcia, minimal military capability. This objective of our Government is strongly supported by the new Fraser government in Australia. It was opposed by the Whitham government that was just thrown out in the last election.

The reason we feel a minimal military capability on Diego Garcia Island is essential is, that if we don't have it, the United States has no other military operating base of any consequence. And with the Soviet Union having the capability of operating out of Somalia, out of other Indian Ocean bases, it is essential that we at least have this operating base there, so that we can coordinate our activities with our friends and allies, such as Australia, in making certain that no other nation seeks through military force to dominate the Indian Ocean and to dominate the land-based areas around there.

WHITE HOUSE CONFERENCE ON LIBRARIES AND INFORMATION SERVICES

[6.] Q. My question is, when will you be appointing 15 citizens to the advisory board for the 1977 White House Conference on Libraries and Information Services, since a college student has already been recommended to you by the Wisconsin National Committeeman Harvey J. Fish?

THE PRESIDENT. The Personnel Office of the White House is in the process of trying to collect the names of citizens all over this country that will make up the advisory board. I can't give you the precise time or date that those recommendations will come from the White House Personnel Board [Office], but I will check on it. I know they are in the process. I think we ought to have the kind of a White House conference you are talking about. Whether we can do it this year or not, I can't make a commitment, but libraries are an essential part of our intellectual, academic areas, and we ought to have a White House conference. We will, but I can't give you a precise time schedule either on the names or on the conference.

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[1] An island approximately 1,000 nautical miles south of India. It was part of the British Indian Ocean Territory, and the U.S. Navy maintained a communications station there.

SITUATION IN ANGOLA

[7.] Q. Do you support Mr. Kissinger's belief that the United States will be interpreted as weak in the eyes of the Kremlin because of our failure to respond to Angola, and do you feel that this marks the end of the détente envisioned by Secretary Kissinger?

THE PRESIDENT. I think the Congress of the United States made a very serious mistake when they denied me, as President, the capability to help, with very limited amounts of money, two of the three forces in Angola that were trying to settle Angola's problems by Angolans.

If we had gotten the very limited amount of money that I thought should be utilized to help these two Angolan groups—the UNITA [Union for the Total Independence of Angola] and the FNLA [National Front for the Liberation of Angola]—I think they could have found a negotiated way for a coalition government. But because the Congress failed to help and assist, the Cuban-dominated 12,000 mercenaries, plus Soviet equipment of some $200 million, with the help and assistance of the MPLA [Popular Movement for the Liberation of Angola], now dominate Angola. It is a very rich country, with a very great potential, and it was a serious mistake that the action of the Congress resulted in the Soviet Union and Cuba, in effect, taking over that country. I think it is a serious mistake with broad ramifications in the future.

MARIJUANA REFORM

[8.] Q. I would like to know your views on marijuana reform.

THE PRESIDENT. I don't believe, on the basis of the scientific evidence that we have available today, that we should decriminalize the use of marijuana.

SOCIAL SECURITY TRUST FUND

[9.] Q. My question relates to social security. In 1965, the maximum amount of social security paid on behalf of any one employee was a maximum of $348. Now in 1976 someone earning $15,300 pays a combined employee-employer total of $1,790. So, in just over 10 years we have had a 414-percent increase in the cost to middle-income American taxpayers. And apparently there is no end in sight because a deficit occurred this year for the first time so more and more money is going to have to be raised. So your solution is to increase regressiveness of that tax by increasing another three-tenths of 1 percent and further burdening the low- and middle-income taxpayers in this country.

I would suggest that maybe a better approach would be, completely reevaluate

this program, perhaps make an optional one, or else use general revenue funds to finance it in order to shift the burden to those who can afford to pay it.

After you answer that question, I would just like an opinion on who do you think is going to win—Michigan or Indiana?

THE PRESIDENT. I will answer the last question first. I am delighted that two Big Ten teams are in the finals of the NCAA basketball championship. But if you review the history of the two times Michigan and Indiana played this year, Michigan lost the first game by six points, and they forced Indiana into an overtime in the second game, so don't count Michigan out.

But let me answer the other question, and I am glad you brought it up. It is a very serious problem that we are facing. The Social Security Trust Fund this year will have a deficit between income and outgo of $3 billion. Next year it will have a deficit of $3.5 to $4 billion, the next year it will be closer to $5 billion. At the present time, we have a trust fund of about $40 billion, so if we do nothing, you are bound to have, in a relatively short period of time, some time early in the 1980's, a deficit. There won't be any trust fund. So you really have about three different answers. You can either do as I recommended, which I think is the honest and straightforward approach, to say that we have got to increase the taxes three-tenths of 1 percent or one-sixth of 1 percent on the employer and the employee.

What does that mean to the average, to the employee who would be taxed the most? It is less than $1 a week, less than $52 a year, I think it comes out to $49 a year. That is one answer. The other answer is, well, we can increase the earning base. It is now $15,400 as I recollect. Some people want to raise that to some $25,000 or $30,000. Another one is the suggestion that you have made, to take it out of the general funds, to destroy the concept that people on social security earn it and have a right to a payment out of it. I disagree with that approach.

I think you can take one of the two other approaches—the one I recommended is the better. But let me answer the question of regressivity. You argue that under my approach it is regressive in its tax method. That is partially true as to the taxation, but let's turn the coin over. When the people start to get the benefits, the people in the lower income area get the most benefits. So, they pay less, but they get more, so it balances out in the end. And for that reason, I recommended the approach that I did. I think it is an honest and a sound approach.

PRESIDENT'S VIEW OF ECONOMIC DEMOCRACY

[10.] Q. Mr. President, my question is that the People's Bicentennial Commission has come out with a platform on economic democracy, and I was wondering what your opinion is of economic democracy?

THE PRESIDENT. What is my opinion of economic democracy? I must confess I have not read what the Bicentennial Commission has used in its definition. But I would say that economic democracy means that we have an opportunity in our economic system for an individual to make his way up the ladder on the economic scale. He is not frozen forever once he starts into a certain area of employment. He has the right to move around the country, to move from one job to another, to determine for himself what he, as an individual, is best at and wants to do the years of his employment throughout the country.

From the point of view of the business community, economic democracy to me means that the business community is not run by the government. The business community is run for the benefit of its stockholders, its employees, and for the public as a whole, and that the heavy hand of government does not run it. And if we can get the freedom of the individual and the freedom of the industrial sector, we can keep what I like to believe is the greatest economic system in the history of mankind.

THE FEDERAL BUREAUCRACY

[11.] Q. Mr. President, what do you plan to do about bureaucracy? There are so many agencies, and it seems that it gets so knotted in redtape it is not getting anything done.

THE PRESIDENT. I am sure glad you asked that question because I have got a good answer. [*Laughter*] In the first place, we have got to stop adding agencies to the Federal Government. And let me give you one that I have said I am going to veto if the Congress is so unwise to send it down to the White House. I don't think we need another fat bureaucracy called the Consumer Protection Agency.

But we also have the responsibility of trying to make sure that those agencies that do exist do a better job. When I became President, I told the Office of Management and Budget that they had to cut 40,000 out of the projected increase in Federal employment. Actually, we cut out 56,000 and the total employment for the Federal Government in the next year's budget, as I recall, goes down about 22,000 more. So, we are gradually squeezing the existing bureaucracy so

that it is more effective and more efficient, and in the meantime, we are trying to stop Congress from flooding us with new departments, new agencies, and I think we are making some headway.

One other point. When I was in the Congress, when I was Vice President, and now as President, I keep hearing that individuals and businesses are overwhelmed with forms, government information requests, so I asked the Office of Management and Budget how many Federal Government forms are there that are sent out to individuals or to groups or businesses. It was 5,200. I issued an order—and it darn well better be lived up to—that they had to cut that 10 percent in the next 12 months, and they have a couple of months to go.

ANGOLAN SITUATION

[12.] Q. Congress finally ended a slaughter in Vietnam, and now you want to get us involved in a similar situation in Angola?

THE PRESIDENT. The answer is categorically no. The firm commitment made to the Congress was that not one single U.S. citizen, military or otherwise, would be sent to Angola, but we did say that we would give to the two groups in Angola who wanted to establish an Angolan Government—not a Cuban or a Soviet Government—the money to help establish that Angolan Government. There was a firm commitment that we would not become involved.

Q. Yes, Mr. Ford, but weapons kill people.

THE PRESIDENT. What do you think the Cuban 12,000 mercenaries did to other Angolans?

Q. They made the same mistake we made in Vietnam.

THE PRESIDENT. Well, we would be delighted if Cuba would withdraw those 12,000 mercenaries and let the Angolans establish and run their own government. That would be the proper solution, and that is what we wanted.

Q. I just want to say one more thing.

THE PRESIDENT. Sure.

Q. If we had sent arms to Angola, the truth is that war would still be going on, just as it did in Vietnam. For 10 years that war went on; people were needlessly killed.

THE PRESIDENT. I respectfully disagree with you. But I know that Angola is not well off with 12,000 Cuban mercenaries and the kind of influence that the Soviet Union now exercises in that vital part of South Africa, it is just not healthy.

Q. Mr. President, it is getting late, and thank you for coming.

THE PRESIDENT. We ought to take a few more. We will take two more over here and two more over there. Betty won't mind if I get home a little late.

Q. How about three over here. I have a good question.

THE PRESIDENT. All right, three on each side.

PRESIDENTIAL CAMPAIGN EFFORTS

[13.] Q. Mr. President, I am a precinct chairman here, and as I recall, when you were here before, we were talking, and I told you I would try to find "There is a Ford in your future" sign for the background. Now, to help us ensure a Ford in our future again for the next 4 years, what sort of advice could you give us precinct workers for a grass roots support in getting people out to vote?

THE PRESIDENT. I spoke to the California State Republican Convention this morning in Fresno, California, and they had a woman's organization—I have forgotten the precise title—among the Republicans. They said they called it "Walk the precincts to get the grass root vote out." They go door to door, and they are going to do it all over the State of California. I think that kind of a manpower effort, plus good programs, both domestically and internationally, is the best way to ensure that our philosophy is favorably considered in November of 1976. You can't beat that kind of effort.

FEDERAL ASSISTANCE TO NEW YORK CITY

[14.] Q. Mr. President, I would like to ask you a question on New York. What will you do if New York City still finds themselves in trouble, and also, there are other major cities across the United States also in economic problems. Will you give them aid if it comes down to the time they will default?

THE PRESIDENT. The program that finally resulted from negotiations with the Congress means that on June 30 New York City will pay back everything they have borrowed in the last 3 months, and the word I got just before I left Washington several days ago was they were going to make that payment.

And I am delighted that they have made the reductions in their employment in the city. They have renegotiated some of the contracts that they have had. They have cut back on a number of the services that were bloated. In all honesty, New York City has done everything we expected them to, and they are going to make that payment on June 30 with interest, incidentally. So, we came out of it pretty well. I have to say it was not easy, though, and I was not sure that I would have been too welcome in New York City for a while.

THE AMERICAN FAMILY

[15.] Q. Mr. President, presently I am serving as a missionary in La Crosse with the Church of Jesus Christ of Latter Day Saints of the Mormon Church. I felt very comfortable about your comment about the American family. And during the time I have been on my mission, I have been able to associate with a lot of people, I have had time to ponder our country's problems and its situations in world affairs, and especially its problems within itself.

Now, you may know that to us families are very important. And as I have looked at world situations and situations within our country, I have noticed when we get down to the root of our problems it always goes back to the family and the family organization. And as we look at our country we know that things we have as a country today were founded on that family. I wonder what your feelings are about and your ideas of how we could strengthen families nationally as a family unit, down to the detail of the family.

THE PRESIDENT. I don't think you can pass a law to strengthen the family. I think the strength of the family has to come from the parents, from the way they live. I think parents have to set the example. I was lucky to have two wonderful parents. We tried to carry on, my wife and myself, in the same way, and we are lucky to have four wonderful children. I think that is the only way that we can achieve what you want and what I believe in and what I think is a fundamental in this country. And I am encouraged. I think there is a rebirth of that feeling in America.

ROLE OF NONVOTING YOUTH IN THE ELECTION PROCESS

[16.] Q. Mr. President, I am a high school student. And I would like to know what role you think the nonvoting youth can play in government, and if you would be willing to accept advice from us, because I think we are interested and we do campaign for Presidential candidates.

THE PRESIDENT. When I was in Congress, I got a lot of nonvoting advice from my own four children, believe me. But I think it is important for young people who are not yet 18 to have an opportunity to vote. I strongly supported the constitutional amendment that made it possible for 18-year-olds to vote. Many people said it would be unhealthy, that they were not qualified. I think their participation has been excellent.

I think we should be proud of the role they played and the ones who are in junior high school and high school—working with their parents, helping with their own political organization whether it is Republican or Democratic. You can play a very meaningful role. You can have an influence on your mother

and your father and your uncle and your aunt and your grandmother and grandfather.

So, just because you may be about 17½ does not mean you can't be a participant. You can do something to influence others, and you can get people to the polls. And we have to get a maximum vote in 1976 to prove to the world that we love and cherish our democracy. We can't neglect the right to vote.

AMERICAN BUSINESS PRACTICES IN FOREIGN COUNTRIES

[17.] Q. Mr. President, I would like to thank you for letting me speak because I am usually the first guy that hits the red light. My question is this: We all know about the major repercussions that have taken place in the past month because of the plethora of payoffs by American corporations like Lockheed. Now, the governments of the world are dealing with the individuals who receive the money like it was an illegal act. How is the United States Government going to control American corporations paying off people or individuals in other countries?

THE PRESIDENT. I am in the process of establishing a Cabinet-level commission headed by the Secretary of Commerce who will study not only our domestic ramifications but the worldwide ramifications of the revelations that have been public knowledge in the last several months. I think it is a very serious matter. I have the firm personal conviction that we can't tolerate any businesses from the United States, of course, violating our own laws, but I think they have to live up to the laws of the countries in which they do business.

Now, that is a firm, broad conviction, but this Cabinet-level commission or committee will delve into the domestic as well as international ramifications in detail. It is a very complicated matter, and for me to give you any pat solution other than a basic concept, I think, would be a disservice. It has got to be solved. And I think we can come up with this commission that will include as Chairman, the Secretary of Commerce, Mr. Elliot Richardson.

Q. Mr. President, does America or the United States consider it an illegal act for payoffs at the present time? Is it an illegal act?

THE PRESIDENT. If it violates any law in the country in which that company operates, definitely. And there are investigations undergoing at the Securities and Exchange Commission now to find out whether some of these allegations are true and if they are true whether the payments are illegal. Many of them were made under quite different circumstances, one from another. And for me to give you a broad answer as to all of them I think is not a proper way to

respond, because the circumstances differ in one country to another, and that is why we are going to have this investigation on the broadest possible scale.

America must compete if we are going to sell American products abroad. We have to compete fairly and within the law. But that competition has to be equal with others from other countries, so it may have to resolve itself around some international code of conduct, if it is possible. It just is not an answer that I can say black or white. It is going to require a great deal of study and this group will be shortly underway, as I have indicated.

EMPLOYMENT OF YOUNG PEOPLE

[18.] Q. Mr. President, I am a high school student, and I was wondering what your views are on teenage kids working, the ones that are under 18.

THE PRESIDENT. I have long felt that under our minimum wage legislation we ought to have what they call a youth differential which would mean that an employer could pay a bit less to young people so that that individual could have a job rather than standing on the street corner. I think that makes sense, and I believe it makes sense from the point of view of the employer, because a young person is not normally as well qualified as a person who has had some experience. So, a youth differential in our minimum wage legislation, I think, would be a step forward to give young people an opportunity to earn money and to stay off the street corners and have a lot of fun all the time.

I guess that is three and three and it has been great. I love you, and I would like to stay over, but thanks for being here and thanks for the wonderful reception.

NOTE: The President spoke at 7:50 p.m. at the Mary E. Sawyer Municipal Auditorium. He was introduced by Dr. Adolph Gunderson, candidate for the Third Congressional District.

In his opening remarks, the President referred to Gov. Warren P. Knowles of Wisconsin 1964–71, chairman of the Wisconsin President Ford Committee, and Mayor Patrick Zielke of La Crosse.

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Remarks Upon Presenting the Department of Defense Medal for Distinguished Public Service. *March 29, 1976*

Secretary Rumsfeld, honored Ambassadors, distinguished guests, ladies and gentlemen:

I greatly welcome the opportunity to join you here today in honoring these three outstanding men who have served as their countries' representatives in

the North Atlantic Council—Ambassador de Staercke of Belgium, Ambassador de Rose of France, and Ambassador Bruce of the United States.

In paying this tribute we reaffirm our commitment to our defense, to our way of life, and to the cause of freedom everywhere. This is the responsibility of all of the nations of the North Atlantic alliance and, most particularly, it is the responsibility of the world's most powerful country, the United States.

In this American Bicentennial Year we are reminded of our duty to safeguard the heritage of democracy and of liberty. If we fail, there is no one to take our place.

Over the past year, it has been my privilege to meet, both in Washington and in Brussels, with the Ambassadors that we honor here today. I have found a very remarkable new unity among all the nations of the alliance on political developments in Europe and on the continuing responsibilities of collective defense. Each of the men we honor has given more than his full measure of clear-sighted and dedicated service that we are all called upon to show.

Ambassador de Staercke has given more than 25 years of service to NATO, spanning the service of 10 U.S. Ambassadors, and making in the truest sense of the word a lasting contribution to the solidarity of the West. I would note that our ties with Belgium bilaterally and in the alliance are truly outstanding.

The strength and the durability of our ties are expressed in special measure by one of the countries represented here today. France is our oldest ally, and in our Bicentennial Year it is with special warmth that we reaffirm the closeness of the United States' relations with France.

Ambassador de Rose, in a long and distinguished diplomatic career, has earned an enviable reputation for the skill with which he has represented France, whose role is so important to the security and well-being of the West. I know from Secretaries Kissinger and Rumsfeld that Ambassador de Rose's analytical powers and eloquence enlivened and dignified the deliberations of the North Atlantic Council and were a source of much wisdom.

A little more than a month ago it was my pleasure to confer the highest civilian award of the United States, the Medal of Freedom with Distinction, on David Bruce.[1] His outstanding service over half a century of public life has been a unique contribution to American diplomacy and Atlantic unity that will never be equaled.

What we should do and what we must do to honor these men today, in a truly meaningful way, is to ensure that we maintain our strength and that with

[1] See Item 76.

that strength we safeguard the peace and defend the values that have made our societies great and produced men such as these.

In the final analysis, the success of our diplomacy for peace depends upon our strength. The world's security depends upon our knowledge, and the world's knowledge that we are strong and prepared to defend ourselves when challenged.

Our adversaries know that the military strength of the United States is unsurpassed anywhere in the world today. They know that the United States is committed to a strong and powerful alliance in Europe, but they also know that the trend of relative military strength has been changing over the past decade and more. We remain unsurpassed and we shall keep it that way. That is why we must not only persevere in seeking greater stability in the world but we must also be willing to spend greater amounts on our own defenses in the United States.

Since becoming President, I have submitted the two biggest defense budgets in peacetime history. I am deeply disturbed that some Members of our own Congress, apparently oblivious to the realities of today's world, now seek to make sizable reductions in the defense budget that I submitted for the coming year. That budget is a minimum budget. There is no room for major reduction.

I want to serve notice today that if the Congress sends me a defense budget that shortchanges the future safety of the American people, I will veto that defense bill, unprecedented though that might be, and go directly to our fellow citizens, 215 million strong, on this life and death issue. Nothing is more vital than our own national security.

All of use recognize that the aim of our alliance is not strength for its own sake but strength for peace. Our aim in Europe is security and the true relaxation of tension—not perpetual confrontation. The stability that we have ensured in Europe by maintaining the military balance for 30 years, which we must maintain, creates opportunities for confident diplomacy. To diffuse powder kegs such as Berlin or to negotiate on mutual and balanced force reduction—this has been NATO's declared policy for nearly a decade.

The stability also creates opportunities for building bridges, for seeking greater communication and understanding among peoples of Eastern Europe, the Soviet Union, and the West. It builds an environment in which free movements of people and ideas can take place.

As I stated emphatically before, all of the leaders of the Communist as well as the Western countries of Europe, there can be no true security and cooperation in Europe until human rights and freedom are expanded everywhere. The

United States and the Atlantic alliance stand for freedom. That is our policy and that is the policy of the American people.

And so, gentlemen, as we honor each of you we also honor our own highest principles, and we are reminded of our duty. May we serve it as well as each of you have served.

NOTE: The President spoke at 11:50 a.m. at a ceremony at the Pentagon. In his opening remarks, he referred to Donald H. Rumsfeld, Secretary of Defense.

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Letter to the Chairman of the International Trade Commission on Imports of Dry Milk Mixtures. *March 29, 1976*

[Dated March 26, 1976. Released March 29, 1976]

Dear Mr. Chairman:

Pursuant to Section 22 of the Agricultural Adjustment Act, as amended, I have been advised by the Secretary of Agriculture, and I agree with him, that there is reason to believe that mixtures of dried milk and other ingredients are being and are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the price support program for milk undertaken by the Department of Agriculture, or to reduce substantially the amount of products processed in the United States from domestic milk.

Specifically, reference is made to the following mixtures:

> Dried milk (described in items 115.45, 115.50, 115.55, and 118.05) which contains not over 5.5 percent by weight of butterfat and which is mixed with other ingredients, including but not limited to sugar, if such mixtures are capable of being further processed or mixed with similar or other ingredients and are not prepared for marketing to the retail consumers in the identical form and package in which imported; all the foregoing mixtures wherever classified under the Tariff Schedules of the United States.

The Secretary has also advised me, pursuant to Section 22(b) of the Agricultural Adjustment Act, as amended, that a condition exists requiring emergency treatment with respect to these mixtures and has, therefore, recommended that I take immediate action under Section 22(b) to restrict the quantity of the aforementioned mixtures, which may be entered. It is my intention promptly to issue

a proclamation [4423] establishing a quota of zero pounds for the aforementioned mixtures, such quota to continue in effect pending Presidential action upon receipt of the report and recommendation of the United States International Trade Commission with respect thereto.

The United States International Trade Commission is therefore directed to make an immediate investigation under Section 22 of the Agricultural Adjustment Act, as amended, to determine whether the above-described mixtures are being, or are practically certain to be, imported under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price support program now conducted by the Department of Agriculture for milk, or to reduce substantially the amount of products processed in the United States from domestic milk, and to report its findings and recommendations to me at the earliest practicable date.

The Secretary of Agriculture has further advised me that the monetary limitation in headnote 2(b) of Part 3 of the Appendix to the Tariff Schedules of the United States for the exclusion from the quota restrictions provided for in Part 3 of articles (except cotton and cotton waste) with an aggregate value of not over $10 in any shipment, if imported as samples for taking orders, for the personal use of the importer, or for research, is no longer a realistic figure. This limitation was originally established by Presidential Proclamation No. 3025 of June 30, 1953. The Secretary has recommended that an adjustment of this limitation be made, and that the authority for making such an adjustment and any further adjustments which may become necessary in the future be vested in the Secretary of Agriculture. The Commission is therefore further directed to advise me with respect to this recommendation, including the amounts of any increases deemed appropriate at the present time.

Sincerely,

GERALD R. FORD

[The Honorable Will E. Leonard, Chairman, United States International Trade Commission, Washington, D.C. 20436]

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Statement on Signing Budget Rescission Legislation. *March 29, 1976*

I HAVE signed H.R. 11665, a bill that will save the taxpayer $75.8 million. These savings are small in comparison with our total Federal budget. However, we should be grateful when the Congress agrees to save any amount.

This $75 million bill is the Congress' response to my request that we save the taxpayer $3 billion in budget rescissions. I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made. However, if the Congress fails to agree after 45 days, the President must spend the funds.

Last fall, I reviewed the appropriations already made by the Congress. After considering our overall spending and deficit position and the individual merit of the programs funded by the Congress, I recommended rescissions totaling $3.1 billion. The bill I am signing today is the Congress' pitiful response to that rescission request.

While it is often the case that events in Washington are viewed in isolation—as though they are unrelated—everyone should understand that in budget matters, all spending adds to the total. This case is no exception. Congressional inaction on my rescission proposals will, over the next few years, lead to $3 billion in Federal spending, which will either be collected from the taxpayer or added to our budget deficit.

If this were the only spendthrift action by the Congress, perhaps we could accommodate it. But unfortunately, this action appears to be only a further indication of a lack of fiscal displine in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977 $15 to $20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under $395 billion. To reach this total, I proposed specific legislative actions—including rescissions—that would save $8.2 billion. By failing to enact most of the rescissions I have proposed, the Congress has significantly eroded the potential savings. Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost $77 billion in 1976 and $44 billion in 1977.

Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions—and inactions—are pushing us little by little toward higher spending and bigger government, toward higher taxes and unnecessary Federal involvement in all our lives.

NOTE: As enacted, H.R. 11665, approved March 25, 1976, is Public Law 94-249 (90 Stat. 287).

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Letter to Senator Edward W. Brooke Expressing Reservations About the Foreign Assistance Appropriations Bill. *March 29, 1976*

Dear Ed:

I wish to inform you of my serious reservations regarding several provisions of H.R. 12203, the foreign assistance appropriations bill, which you will soon consider in conference committee.

The security assistance levels I requested for FY 76 and the Transition Quarter were subject to the most rigorous study and analysis before their submission, and in my judgment represent a balanced and adequate program, sufficient for the minimum needs of our friends abroad but within the budgetary limits required in a period of austerity at home. Accordingly, I must oppose both the significant reductions and additions which have been made to my original budget proposals.

I strongly oppose Senate action adding nearly $800 million in program terms to my budget requests for Foreign Military Sales Credits and Security Supporting Assistance for the Transition Quarter. In formulating my proposals for FY 1976, I took into account the added requirements of the Transition Quarter. Although I would like to be able to do more for our allies and friends, I am firmly convinced that the total level of funds already requested in FY 1976, as distributed in my original request, are adequate to meet the minimum needs of the recipients, without placing unacceptable strains on our budget. In view of pressing and unmet needs in other areas of the budget, such an increase in funding for FMS and Supporting Assistance in the Transition Quarter is not warranted. Moreover, its proposed narrow distribution—particularly when taken together with the cuts in MAP—will be seriously disruptive of our relations with many countries. I will regard as unacceptable foreign assistance appropriations which include such substantial and inequitably distributed additional funding.

I am further deeply disturbed with the "express approval" requirement contained in Title I of the Senate bill. This provision represents an unwarranted and unconstitutional intrusion on the powers of the Executive Branch by attempting to substitute the judgment of congressional committees for that of the Executive Branch agencies duly constituted to administer our foreign assistance programs. It raises the spectre of lengthy delays while individual projects or project amendments are reviewed in detail by congressional staffs, thus hampering the ability of the United States to respond rapidly to unpredictable changes

in world events. Even if prior approval by the full Congress were appropriate, the provision is still constitutionally defective in that it delegates the legislative functions of the entire Congress to the respective committees. While we are fully prepared to keep the Congress informed of significant program changes during the fiscal year, the Senate provision is unacceptable and I would urge that it be stricken.

Finally, I am profoundly disappointed that both the Senate and House have approved only $225.0 million for grant military assistance—considerably below my requested level of $394.5 million. This action will mean substantial cuts in many grant military aid programs of great importance to the United States. Serious reductions will be necessary in the program for Jordan, reducing the incentive for this moderate Arab country to play a helpful role in the Middle East; in the program for the Philippines, where pending base negotiations could be jeopardized; and in the Korean program, inhibiting that country's progress toward military self-sufficiency and weakening it in face of the Communist threat. Many other important country programs will suffer as well, to the detriment of our foreign policy interests. This deep cut can only be seen abroad as a further sign that the United States is no longer willing to stand behind commitments of long-standing to its friends and allies, at a time when our national will is already being questioned by both friend and foe.

I hope you, as conferees, will bear these reservations in mind as you consider the bills and that your deliberations will produce acceptable legislation which I can sign.

Sincerely,

GERALD R. FORD

[The Honorable Edward W. Brooke, United States Senate, Washington, D.C. 20510]

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Remarks of Welcome to King Hussein I of Jordan. *March 30, 1976*

YOUR MAJESTY, our warm personal relationship is but one example of the closeness and continuity that are so evident in the long friendship between Jordan and the United States.

I recall with very great pleasure my first official meeting with Your Majesty when I was Vice President. Shortly after I became President, you were the first head of state that I received in the White House.

Today it is again my pleasure to welcome you to Washington. I reaffirm my greetings of 2 years ago, again with a wonderful Arabic saying, our home is your home and you.

Your Majesty and your gracious and lovely Queen are indeed welcome and honored guests. On behalf of the American people, I offer our hospitality and our affection. You are sincere friends of our country.

Since the beginning of your reign in 1952, you have known and shared the confidence of every American President beginning with Dwight David Eisenhower. Despite the tensions in the Middle East, our friendship has withstood every test and met every challenge and every crisis. We continue to understand and appreciate each other's concerns and motivations. We share a profound interest in peace and stability of the Middle East. We must continue to work together to achieve this mutual goal.

During a period covering five American administrations, Your Majesty's leadership has provided continuity in the special association of our two nations. As the symbol of Hashemite Jordan's courage, honor, and steadfastness, Your Majesty is widely admired and respected by the American people.

For more than two decades, you have demonstrated your determination to do what is right for your own people. You have shunned the line of least resistance and stood firm in the face of adversity. You have proven yourself a loyal friend of America, and Americans admire loyalty. Americans also admire wisdom and courageous leadership. We value your role as a force for reason and moderation in pursuit of a just and durable peace in the Middle East. We value your counsel.

During your stay in Washington, Your Majesty, we shall have an opportunity to discuss a wide range of bilateral and regional concerns. We shall discuss our cooperation in strengthening and developing the Kingdom of Jordan, and we shall cosider how, as friends, we can advance the cause of peace in the Middle East.

Relations between the United States and Jordan have been so close, they have become a real tradition. Our common endeavor is so firmly rooted that I welcome you not only as a statesman and leader of a very proud nation but also as a sincere friend who has come to visit among friends.

We are pleased to have Your Majesties with us again. I hope that your stay in the United States will reinforce the bonds between our two nations in the cause of peace.

NOTE: The President spoke at 10:38 a.m. on the South Lawn of the White House where King Hussein I was given a formal welcome with full military honors. The King responded as follows:

Thank you, Mr. President, for your warm and generous words of welcome. We have looked forward with great pleasure to this visit, remembering how cordially you and Mrs. Ford welcomed my wife and me on our last visit a year ago, and what a happy occasion it was for both of us.

You already know, Mr. President, how much Jordan values the friendship of the United States. It is a friendship that has grown steadily warmer and deeper during each of the 17 years since I paid my first visit to the United States.

At the time the United States was founded, your forefathers proclaimed to the entire world and to future generations that all men are created equal and that there exists for each of them certain inalienable rights to life, liberty, and the pursuit of happiness—noble, inspiring thoughts. But even more inspiring are 200 years of continued effort to remain true to your founding principles—200 years that form a heritage of which you may be justly proud.

Within my lifetime, your words and deeds have been a great inspiration to me and the rest of the world. Your sacrifice and dedication in World War II saved the world from tyranny. By turning from the weapons of war to the tools of peace under the Marshall plan, your magnanimity rebuilt a Europe that had been devastated by war.

I share with Winston Churchill the belief that this was the most unsordid act in the history of the world. The spirit that moved you to bind up the wounds of a stricken world has continued in your assistance to the developing nations of the Earth to better their lives. We are a grateful recipient of your valuable assistance.

On this anniversary, you are celebrating your achievements of the past 200 years. The world is celebrating with you for the inspiration and the help you have given to all of us.

Your Nation is unique. It was created by people from all over the world. You are repaying the world for the contributions made to you and, because of this, we all have a stake in your greatness and destiny.

With the problems that still face the world, the wisdom and fortitude that have marked your past is needed now more than ever. I think there is no place in the world that this is more true than in the Middle East. Once again, we are at a crossroads between war and peace. If we are to achieve peace, it will depend to a large measure on your enlightened leadership, Mr. President, in upholding the principles of justice which have prevailed during your 200 years of statehood.

Thank you, Mr. President, for the warm welcome. I am looking forward to cordial and productive discussions with you on subjects of mutual interest and concern during our forthcoming meetings and to the strengthening of the long-established bonds of friendship between our two countries.

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Remarks and a Question-and-Answer Session With Members of the American Agricultural Editors Association. *March 30, 1976*

Mr. Secretary, Mr. Krumme, distinguished members of the American Agricultural Editors Association:

It is a pleasure to have an opportunity to say a few words and then respond to any questions.

First, I know you all know this, but I just want to reiterate it and reemphasize it. About 3 weeks ago, I made a significant change in the manner in which we are handling agricultural policy decisionmaking when I appointed the Secretary of Agriculture to head our Agricultural Policy Board, and I have here, as the Chairman of that, I think one of the finest Secretaries of Agriculture that this country has ever had. And I want to assure you that this change is very

substantive, that Earl Butz is the person who is going to chair that group and will convey those recommendations to me specifically.

Now, I know you're concerned about export controls, about production cost increase, energy problems, and a whole raft of other agricultural matters. I've had the privilege in the last 3 weeks to meet with two farm groups, one in Illinois, one in Wisconsin, and I have found firsthand that they have some questions. We tried to answer them satisfactorily. I know that there is concern, for example, as to the passing on of family farms from one generation to another.

As you know, in January I made one recommendation and after further consideration added to it a second portion or part of that proposal—the first being a deferral for 5 years of any estate tax payments with a 20-year period of extended annual payments at a 4-percent interest rate. On further investigation, we found that that would not be sufficient or satisfactory and added the recommendation that the present exemption of $60,000, which was established in 1942, be increased to the figure of $150,000.

Secretary Simon has been up before the House Committee on Ways and Means and has testified on behalf of that legislation. My own thought is—knowing a bit about the way Congress operates—that if that proposal is to get incorporated into a much larger tax bill, a so-called tax reform bill, the likelihood of that becoming law in 1976 is rather remote because any so-called tax reform bill, for a wide variety of reasons, has many, many problems. And I would doubt whether such legislation will pass the Congress.

On the other hand, if we could possibly isolate that proposal and have it go through as a separate piece of legislation—and it not only affects, as you know, farmers, but it affects small businessmen—the likelihood of it being enacted, signed into law, would be considerably increased. With those very general observations, I will be glad to respond to any questions.

Don't be shy. Those farmers weren't. [*Laughter*]

Q. Mr. President, has your administration planned any action in the next few weeks or months on the problem of increasing imports of palm oil into the United States, which seems to be having effect on soybean producers?

THE PRESIDENT. Well, the Department of Agriculture, because of the actual and, to an even greater degree, the threat of substantial increases in palm oil imports—the Department of Agriculture is at the present time undertaking a very in-depth study. And I can't tell you the date when that study will be completed, but we recognize the seriousness of it. I would expect in a relatively short period of time we would have recommendations from the Department of Agriculture as to what might be done. We are fully cognizant of the fact that over

the last 10 years, maybe longer, not only in bilateral loans but in international loaning organizations, there has been a financing of—what are they—palm oil plants have been stimulated in a number of the underdeveloped countries, and the net result is, by 1985 there is a very serious potential of substantially increased world production. That gives us concern now as well as in the future, and we hope to have some recommendations that we probably would submit to the Congress.

Is that my understanding, Earl?

SECRETARY BUTZ. Yes, sir, if we change the tariff it will take congressional action. But I might point out that this comes at the very same time we are preparing to go to Geneva asking for reduced barriers on trade. And we have a lot more to lose from raising barriers than we have to gain. There are two sides to this, and in the bigger picture we have got to be careful what we do.

THE PRESIDENT. We, of course, have to be cognizant of $22 billion farm export benefits that we derived last year. I think it was a net $12 billion. So we have got a big investment in continuing to export as much as we can, and to some extent certainly, it has to be a two-way street.

Q. Mr. President, in regards to your shuffling of your farm advisers and promoting of Secretary Butz to the position he now holds, was there any one event which prompted you to make that move? Was there anything that happened in foreign trade of agriculture or on the domestic scene, which prompted you to take that course of action?

THE PRESIDENT. Well, there had been some criticism that the previous setup was not sufficiently reflective of the role of American agriculture in that overall problem. And in order to reflect that importance as far as the American farmer was concerned, it seemed to me that the Secretary of Agriculture was the proper person to chair the committee. For that reason, and that reason only, the change was made.

Q. Mr. President, assuming your reelection, do you have any thoughts at this time on what shape you would like to see the next farm bill, due to be written in 1977—what shape you would like to see that take?

THE PRESIDENT. I will approach that answer in two ways. One, I don't want to go back to the programs we had during most of the time that I was in the Congress. I think those were a disaster. We ended up with great surpluses. We ended up under those programs with the Department of Agriculture interfering virtually in the operation of every farm in the United States. So, my general thought would be that a continuation of the existing programs are the answer inasmuch as I look at the records and I find that in the last 3 years net farm income to

America's farmers has been at an alltime high. There has been a minimum of Federal regulation as far as the Department of Agriculture is concerned. The more or less full production concept has been a tremendous beneficiary to the United States, especially with the problems we have had with increasing dependence on foreign oil and a higher price for foreign oil.

So, when I look at the last 3 years under existing agricultural legislation, I think it is better than anything I have seen during my 27-plus years as an official of the Federal Government. So, without preempting every detail of what might be submitted next year, I think the general concept of the present law certainly appeals to me.

Q. Mr. President, we talk as though the estate tax reform would apply only to farmers and small business. Is this the intention, and how will we disarm the opposition, people who are not farmers who will feel that they are coming out on the short end in the deal?

THE PRESIDENT. Of course the law would be applicable—the exemption would be applicable to all payers of any estate tax. It is just that the dollar exemption would probably have its biggest impact on small business and/or the family farm. But any taxpayer who has an estate would have the same benefits as the individual family-owned farm or the small business. It is an attempt to try and, in the case of small business, force the sale of a family-owned business, corporate organization, in order to prepare for any tax liability following the death of the principal owner. But the law would have to be applicable to all estate taxpayers in order to be valid or constitutional.

Q. Mr. President, farmers have a big stake in the cost and availability of energy. Are you happy with the progress that has been made up to date on getting more self-sufficient in energy?

The PRESIDENT. The answer to this is no.

Q. Then what can we do about it?

The PRESIDENT. The biggest disappointment probably this year in the energy field was the failure of the House of Representatives, I think by three votes to deregulate natural gas.

In December of last year, the Senate passed the Bentsen-Pearson bill which would have deregulated domestic natural gas. When the bill went over to the House of Representatives, in a close vote—three margin, as I recollect, 207 to 210, something like that—they substituted a proposal which had a good title but is really a step backward rather than a step forward.

And the net result is, you have got the House bill which is incompatible with the Senate bill. And we are trying to find a parliamentary procedure whereby

we could get another vote in the House of Representatives, but I am very apprehensive that that can be done. So, we may have to start all over again next January when the new Congress comes back.

The bill that passed the Congress last year was quite a different bill from that which I recommended in January a year ago. We ended up with a bill that, over a period of 40 months, there can be deregulation of domestic oil production. I signed the bill for one reason only: We had had almost a year of complete uncertainty where the producers did not know what they were going to be faced with—the public generally did not. So, it was a very close call. I signed it, and now we are in the process of trying to implement it.

As far as this administration is concerned, we are going to take every step which we can do under the law under the 40-month period for deregulation. I think within the next week or two we submit our first actual increase that is authorized under the law. And these can be done periodically under the 40-month deregulation program.

Now, there are some other things that the Congress is finally getting around to implementing. The Senate has passed the conference report on the removal of restrictions on Elk Hills in California. I am told the House will probably pass the conference report some time this week. That will permit us, within a period of about 2 months, to increase Elk Hills' crude oil production about 300,000 barrels a day.

That is a help but it is less than 10 percent of—it is about 5 percent of our daily imports from overseas today. But it is a help. And the disturbing thing is that in the month of February, we had the highest month of imports of foreign crude oil in the history of the United States, something over 7 million barrels per day.

In the last report for the week there was, I think, an alltime weekly high of something like 7,200,000 barrels per day. Is that about right, Chuck?

So, what is happening is that our imports of crude oil—they are going up virtually every day. Our domestic production is going down. I think the latest figures for domestic production are about 6 million barrels a day. It is about 3 million barrels a day less than 1972, so somehow we have got to stimulate more domestic production.

Now, some people will allege that as soon as we get the Alaskan Pipeline completed in May, I think, of next year, that is going to be our salvation. That is roughly 2 million barrels a day when they are in full operation and that will take probably another 7 or 8 months, probably the end of 1977. So, we have got a growing problem that gets more serious every day.

So, we have to, in the broadest sense, stimulate more domestic production. We have to do everything we can for conservation. There are some things that we are doing but they are really minimal. We have to, in the long run—this is no tomorrow solution—put as much money as we can in a practical way in research and development for solar energy, geothermal, three or four of the other more exotic fuels, but those won't come into any serious production until probably the early 1980's.

Now, there is one other, and I speak here of nuclear power. We have now 55 operating nuclear powerplants in the country. In January of 1975, I said by 1985 we had to have 250. For a wide variety of reasons, there has been a slowdown in nuclear powerplant development. The environmentalists have gotten into it. Other people have raised questions about safety, and then we had some problems last year in trying to finance them. Now, I am a firm believer that nuclear power has to—we just can't abandon it. We have to expand it.

And for the benefit of those of you from California—how many are here from California? There are two of you—I was prepared to answer when I was out in California but nobody asked me last weekend—[*laughter*]—I am very opposed to Referendum Number 15. I think it would be tragic because California, like 49 other States, does need nuclear power. In preparation for going to California last week, I had the head of the Nuclear Regulatory Agency, Bill Anders, in and one of his associates on that Commission. I had Russ Train of EPA and Russ Peterson of the Council on Environmental Quality. I had two or three other people who could give me the information as to the three questions that are raised in this referendum.

And, for the benefit of the rest of you, there is a referendum on the June 6 [8] primary—that is what I know more about but it is on the same ballot—that says in effect that if it is passed, no more nuclear power development can be developed in California. There is some exceptions and it is a little more complicated than that, but that is the net effect. If California passes that, California, for all intents and purposes, precludes subsequent nuclear power installations.

The next question I would have to raise is, where will they get their power? California today does import some coal from Idaho or Utah or that four-corner area there, and if they can't have nuclear power they will have to import more coal. And California does not like dirty air, and coal is a lot dirtier than nuclear power. And if they don't want nuclear energy and more coal, then they will have to go to Outer Continental Shelf oil development, and I know there are some people in California who don't want that. So, I just don't know where California will get its power.

Now, there are really three basic questions: One, safety—and the safety record of nuclear powerplants is higher, really, than any other powerplant production, whether it is coal or oil or any of the others. So, on the safety side, nuclear power has a good safety record.

Number two is safeguards. That is the question of whether some terrorist group could come in and seize the product and utilize it for some evil purpose. Well, I think that can be taken care of if it has not been.

A third one is what do we do about the discharge? Where do we put it and how do we handle it? The Energy Research and Development Agency [Administration] is about to come up with very—according to them—sound methods of disposal. And once that is taken care of—and my impression is that is the most serious question—I see no reason why we shouldn't proceed with a nuclear plant.

Q. Mr. President, I think farmers have generally indicated their disfavor at last year's decision to stop wheat sales to Russia. I was wondering under what conditions, if any, you would impose such actions again?

THE PRESIDENT. In looking at the carryover, whether it is corn, wheat, or soybeans, and looking at the prospective production for 1975–76, I foresee no circumstances that would prompt me to have any limitation on export sales.

Now, I want to be quite specific in that. The chances are nil—but I am not going to stand up here and say "never," because there are some unbelievable things that might happen—but I don't think they are within the realm of possibility when I look at the overall. So, as far as I am concerned, the chances are nil for any limitation in '75–76 or '76–77, I guess.

Q. Mr. President, should there not be a set level at which farmers would know that export controls will be put into effect, a production level?

THE PRESIDENT. Well, as far as I am concerned, I would rather not have any limitation, period, and rely on the good judgment of whoever is President and his commitment to have as much in the way of exports as we can. I think as a result of the limitation last year we ended up with an excellent deal with the Soviet Union. We ended up with a minimum sale for the next 5 years, beginning September of next year, of 6 million tons. And that is a firm market with no problem going above that until we reach 8 million tons. And for all intents and purposes, that is not a limitation.

So, I just think it makes more sense to have a 5-year agreement of that magnitude with a set procurement by the Soviet Union and not impose any mandatory figures such as has been suggested.

Q. Mr. President, with all the concern about how we are going to feed the world in the future, there is some concern that we are not putting enough seed money into agricultural research on both the Federal and the State level. I wonder what plans you might have in that direction of upgrading the amount and the quality of research?

THE PRESIDENT. I can't pass judgment on what the States are doing, but I can tell you about the Federal Government. I increased, for fiscal year 1977, the research and development in the Department of Agriculture by 5.5 percent. I think it was a $22 million increase.

Now, some question has been raised that that is not above the increase in the cost of living. Therefore, it really in effect was not an increase. All I can say is that when I look at all the departments and the various subdepartments in a department that got cut—I mean, cut in dollars—research in the Department of Agriculture by getting an increase came out pretty well.

I happen to be a firm believer in research and development across the board. We put substantially increased amounts in for energy research. Solar energy I increased by almost 40 percent. Of course, it started from a relatively low base but I think it was $80 million, and we increased it about 40 percent over that.

We did the same—not quite as much—in geothermal research and several others. So, I am basically in favor of research and development. And we increased basic research—which is very important for many of the long-range things—by 11 percent across the board in the government, so that once we get that we can apply it to applied research. But in the Department of Agriculture, it was a $22 million increase—5.5 percent.

There was a gentleman when I was talking about nuclear power who I gathered—way in the back of the room—might have some differences with me on that, and I want to give him his equal time.

Q. No, sir. I just wanted to ask you one more political question.

THE PRESIDENT. Now, this was not a put-up deal. [*Laughter*]

Q. I am sure every man in the room has his own opinion of how you will do, assuming the best, if you win the nomination and run for President in November. I would like to hear your assessment of how you will do, given the chance in November, among the farm voters?

THE PRESIDENT. Well, we did pretty well with the farmers in Illinois.

Q. What was the percentage of the vote there, among the farmers?

THE PRESIDENT. Well, we got—it was a little less than the suburban vote but it was not materially less, and I think primarily that support we got in those areas came from the meeting that I held in Peoria with about 300 or 400 farmers. So, it

is my impression that if Illinois agricultural areas are indicative of agriculture areas generally, I think we will do all right.

Q. How about against an old farmer like Jimmy Carter?

THE PRESIDENT. I understand Jimmy is a one-crop farmer. He is not a full production farmer. [*Laughter*] He is not like those wheat and corn and soybean producers. But, be that as it may, I think we will do all right with agriculture.

Thank you all very, very much.

NOTE: The President spoke at 2:05 p.m. in the Family Theater at the White House. In his opening remarks, he referred to Earl L. Butz, Secretary of Agriculture, and Richard Krumme, president of the association.

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Remarks Announcing the Resignation of Howard H. Callaway as Chairman of the President Ford Committee. *March 30, 1976*

I HAVE asked Bo and Rog Morton to come and to participate in an announcement. Bo Callaway, in his typically unselfish way, has submitted his resignation. Let me say very firmly and with deep conviction, first, I have known Bo Callaway for 15 years. I knew him before he got into government. I knew him as a Member of the House of Representatives. I campaigned with him in Georgia. I knew him well when he was Secretary of the Army. I certainly knew him extremely well while he was running the Ford for President campaign.

So, on the basis of this accumulation of very close personal experiences, I know very deeply in my own heart that Bo Callaway is an absolutely honest person and one who would not, under any circumstances, undertake anything that was improper.

Bo, as I said, in his own unselfish way, recognizing that a campaign is a relatively limited, time-wise affair, felt that for him to stay on while these investigations were being completed would not be helpful to the campaign. I am absolutely sure that Bo will be completely exonerated, and I know that Bo feels that personally. So, I thank him for his unselfishness. I thank him very much for his total dedication.

As Rog Morton takes over the President Ford Committee, he inherits an outstanding group of individuals that Bo Callaway assembled. He inherits an organization that is a going organization, that's got a pretty good batting average of five out of six. So we thank you, Bo, for getting the people, putting the organization on the road, and the success that it achieved.

And, Rog, I thank you for undertaking this responsibility. You've got about 5½ months. I am absolutely confident we are going to win not only in Kansas City but I think we are going to win in November.

So, I thank Bo for the fine job he has done, and I thank you for undertaking the responsibilities. And I reiterate what I said earlier—I am most grateful for your unselfishness, Bo. And our friendship, which is predicated on a long-standing relationship, is one that I have cherished, and I certainly look forward to continuing as it has in the past.

Thank you.

NOTE: The President spoke at 3:09 p.m. in the Oval Office at the White House.

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Toasts of the President and King Hussein I of Jordan. *March 30, 1976*

Your Majesties and honored guests:

It was in 1959, that President Eisenhower had the honor of welcoming you, Your Majesty, to the White House on your first visit to Washington, D.C., and to our country. Fifteen years later, it was my great privilege to greet you as the first chief of state that I had the honor of having at the White House in my administration.

In that time span, the world political scene has changed very profoundly. Yet throughout this process of change, there have been reassuring elements of stability and constancy in the relationship between countries and the peoples of the world. A particularly noteworthy example is the friendship and the very great mutual trust between the United States and the Hashemite Kingdom of Jordan.

Your Majesties, our people share many, many goals. Together we aspire to economic as well as overall well-being of our fellow countrymen, to the universal betterment of human kindness and conditioning, and to closer cooperation between states. We aspire to the ideals of freedom and dignity for the individual.

But there is one very special, particular goal which we look upon, we both deeply wish to attain—it is a just and a very lasting peace for all nations and for all peoples in the Middle East. Our two countries are determined to work together to overcome all obstacles that stand between us and that end.

I believe that Americans are most fortunate to have you as a very staunch and steadfast friend. I know that you share our hopes for peace as well as freedom.

You have demonstrated outstandingly your willingness to join us in facing very squarely the great challenges of our time, not only in the Middle East but elsewhere.

I was extremely pleased to discuss at length some of the most complicated and controversial issues which both our countries face in the Middle East. His Majesty and I agreed that in addition to the progress that peacemaking efforts have achieved so far, much, much more remains to be done.

We are both very conscious of the many difficult problems that must be overcome to secure a just and a lasting peace. These problems will not be solved tonight or even tomorrow in our meeting in the morning, but we know that they must be solved, and we will double and redouble our efforts in that regard.

We are jointly committed to persevere in the pursuit of peace. We are more than ever determined that the negotiating process must continue. A settlement must be obtained that will fulfill the aspiration of all states and all peoples of the Middle East for peace, stability, and human progress. Certainly, the United States could not hope for a more able and honored associate in this historic task than His Majesty King Hussein.

Your Majesty, your determination, your courage, your dedication to the cause of peace in the Middle East are so well-known to all of us that any repetition on my part of your distinguished accomplishments is totally unnecessary.

You are no less famed for your personal courage, your forthrightness, your dedication to the welfare of your people, and for your loyalty to your friends. I am proud to salute you tonight not only as a statesman and a leader but also as a close, personal friend and as a friend of our country.

I must say that I take very special pleasure in welcoming another outstanding representative of Jordan, Her Majesty, the Queen. She was once in our country as a student, and we are delighted to welcome her as a gracious queen whose charm captivates us as it does the Jordanian people.

Ladies and gentlemen, I ask you to rise and join me in a toast to His Majesty King Hussein of Jordan, a partner in the search for peace, a distinguished leader, and a true friend of the United States, and to Her Majesty Queen Alia.

NOTE: The President spoke at 10:13 p.m. in the State Dining Room at the White House. King Hussein I responded to the President's toast as follows:

Mr. President, Mrs. Ford, distinguished guests:

Thank you, Mr. President, for the thoughts you have expressed so eloquently. The welcome and hospitality you and Mrs. Ford have so graciously extended to me and my wife are deeply appreciated. We feel very much at home, which is fitting for friends.

The friendship between Jordan and the United States is indeed unique. It stems from common values which we both hold dearer than life—freedom, equality, honor, and human dignity. It has grown during a most difficult period in the lives of both countries. Friendship deserves a more serious consideration of those who enjoy it. When there is

joy, you call upon friends to celebrate. When there is sorrow, friends come to comfort you. When there is a task to be done, friends join together in common effort. There is honor and pride in true friendship, as is evident here tonight.

Mr. President, our visit with you comes at a time of both joy and sorrow—joy in being here to celebrate the 200th anniversary of this great Nation, sorrow in the knowledge that difficulties in our part of the world have multiplied and intensified.

Friends share, as we do with you, most of the same goals and aspirations, the same principles and values. Friends share their expectations, too.

I bring with me on this journey the expectations of the people of Jordan and the entire area that steps can be initiated and quickened to achieve the goal which has eluded us for many more years than one would wish to remember—peace in the Middle East. We who enjoy the common bond of friendship must make every effort to reach this goal while it is still attainable.

We also share with you an unusual fact, the names of our founding capitals. Philadelphia was the birthplace of your independence. Philadelphia was as well the ancient name of our capital, Amman. The meaning of both was the same—brotherly love.

It is a custom among Arabs to call their closest friends brothers. We would like to share this custom with you and to convey the best wishes and warmest greetings from the people of Jordan to you, Mr. President and Mrs. Ford, and to all of your fellow citizens.

Ladies and gentlemen, may I ask you to join with me in a toast to the President of the United States and Mrs. Ford.

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Memorandum Establishing the Task Force on Questionable Corporate Payments Abroad. *March 31, 1976*

Memorandum for: the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of Commerce, the Special Representative for Trade Negotiations, the Director, Office of Management and Budget, Assistant to the President for Economic Affairs, Assistant to the President for National Security Affairs, Executive Director, Council on International Economic Policy

Subject: Task Force on Questionable Corporate Payments Abroad

This is to advise you of my decision to appoint you to a Cabinet-level Task Force which I am establishing to examine the policy aspects of recent disclosures of questionable payments to foreign agents and officials by U.S. companies in conjunction with their overseas business operations. The Task Force will be chaired by Secretary Richardson and will report to me through the Economic Policy Board and National Security Council. Status reports on the efforts of the Task Force should be presented to me from time to time, and a final report is due prior to the close of the current calendar year.

Although the Federal Government is currently taking a number of international and domestic steps in an attempt to deal with this problem, I believe that a coordinated program to review these efforts and to explore additional avenues should be undertaken in the interest of ethical conduct in the international marketplace and the continued vitality of our free enterprise system.

The full dimensions of this problem are not yet known but it is clear that a substantial number of U.S. corporations have been involved in questionable payments to foreign officials, political organizations or business agents. The possibility exists that more can be done by our government. There would also appear to be some interest in guidance as to what standards should be applied to the foreign sales activities of the overwhelming majority of American businessmen who are deeply concerned about the propriety of their business operations.

The Task Force should explore all aspects of this problem and seek to obtain the views of the broadest base of interested groups and individuals. While the problems are complex and do not lend themselves to simple solutions, I am confident that your labors will contribute to a better international and domestic climate in which American business continues to play a vital and respected role.

GERALD R. FORD

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Statement on the Task Force on Questionable Corporate Payments Abroad. *March 31, 1976*

RECENT disclosures that American-based corporations have made questionable payments during the course of their overseas operations have raised substantial public policy issues here at home.

The Federal Government is already undertaking a number of firm actions to deal with this matter. Full-scale investigations to determine whether U.S. laws have been violated are currently underway in the Securities and Exchange Commission, the Internal Revenue Service, and elsewhere. In addition, I have directed my advisers in the areas of foreign policy and international trade to work with other governments abroad in seeking to develop a better set of guidelines for all corporations.

To ensure that our approach to this issue is both comprehensive and properly coordinated, I am today establishing a Cabinet-level Task Force on Questionable Corporate Payments Abroad.

The task force will be chaired by the Secretary of Commerce, Elliot Richardson, and it will include among its members the Secretaries of State, Treasury, and Defense as well as the Attorney General and other high-ranking members of the administration.

I have directed the task force to conduct a sweeping policy review of this matter and to recommend such additional policy steps as may be warranted. The views of the broadest base of interest groups and individuals are to be solicited as part of this effort. I have also asked that periodic progress reports be submitted to me during the course of the review, and that a final report be on my desk before the end of the current calendar year.

The purpose of this task force is not to punish American corporations but to ensure that the United States has a clear policy and that we have an effective, active program to implement that policy.

To the extent that the questionable payments abroad have arisen from corrupt practices on the part of American corporations, the United States bears a clear responsibility to the entire international community to bring them to a halt. Corrupt business practices strike at the very heart of our own moral code and our faith in free enterprise. Businesses in this country run the risk of ever-greater governmental regulation if they illegally take adavantage of consumers, investors, and taxpayers.

Before we condemn American citizens out of hand, however, it is essential that we also recognize the possibility that some of the questionable payments abroad may result from extortion by foreign interests. To the extent that such practices exist, I believe that the United States has an equal responsibility to our own businesses to protect them from strong-arm practices. It is incumbent upon us to work with foreign governments to curb any such abuses.

From the facts at hand it is not clear to me where true justice lies in this matter, and that issue may never be resolved to everyone's satisfaction. The central policy question that needs to be addressed today is rather how we can arrive at clear, enforceable standards to prevent such questionable activities in the future. That is the key issue to which this new task force will direct its attentions.

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Exchange With Secretary of Commerce Richardson on Establishing the Task Force on Questionable Corporate Payments Abroad. *March 31, 1976*

I HAVE just signed the necessary documents establishing a Cabinet-level task force to undertake a very comprehensive study of the payments by American corporations overseas. I have appointed the Secretary of Commerce, Elliot

Richardson, to be the Chairman of the Cabinet-level task force. It is not a group that will undertake the enforcement, but it will be a task force that will study the very broad ramifications—and they are very broad—in this very delicate field.

The Secretary of Commerce, because of his service as Attorney General, Secretary of Defense, as well as his opportunity to serve over in Great Britain, in his new post, I think is uniquely qualified for the very important assignment.

I will be getting periodic reports on a regular basis, and policy decisions will be made as opportune, based on the study.

You've got a big job, Elliot, and I know it is in good hands.

SECRETARY RICHARDSON. Thank you, Mr. President.

Certainly, the members that you have appointed to this task force are the people in the government who have concerns in one way or another with these questionable payments. We will, as you have asked us to do, be giving you progress reports, looking toward our final recommendations before the end of the calendar year.

And as you have emphasized in our own statement, the problem really is how we arrive at clear, enforceable standards to prevent such questionable practices in the future. We certainly won't be undertaking to investigate the facts. What we need really is a picture of the ramifications of the problem that we can get from the SEC, the IRS, and the other agencies that are charged with that responsibility, and then use that information as the basis for examining the policy implications.

THE PRESIDENT. Thank you very much.

I think the American people will be very anxious to have a comprehensive government policy to avoid the problems that we have had in the last few years in an area that involves our economy, involves our foreign relations—it involves the enforcement of civil as well as criminal proceedings.

So, I look forward to the first report and the final report.

SECRETARY RICHARDSON. Thank you, Mr. President.

THE PRESIDENT. Thank you all very much.

NOTE: The President spoke at 10:30 a.m. in the Oval Office at the White House.

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Remarks at the Annual Republican Party Senate-House Fundraising Dinner. *March 31, 1976*

Thank you very, very much, Ted, my good friend Guy, my old colleagues in the House as well as in the Senate, all of you very distinguished guests:

Let me say that it is a great privilege and a very high honor for the opportunity of Betty and myself to see so many good friends at this annual Republican Senate-House dinner.

I could not help but notice when Betty and I came up that she seemed to get much more applause than I. I am getting used to that, I might say. [*Laughter*] In fact, we are lucky to have her here tonight—she is out doing a lot of campaigning. The sole objective is to get my votes up to her polls. [*Laughter*] I thank you, and I can prove it that she does.

So, it is nice to be here. Let me speak on behalf of both of us that we are deeply grateful for all of you, as friends and supporters of our distinguished Senators and Members of the House, for coming here this evening and helping to make this a very successful affair.

All of you, I know, from knowing most of you, are very faithful friends of the party and certainly the philosophy. And I thank you extremely—very, very much for the continuing commitment to all that our party stands for and the philosophy that I think all of us represent.

Of course, as I looked around the room and met some of the people that I have known in the House and the Senate for a good many years, it is great to have an opportunity in a friendly and warm atmosphere to see them.

As John Rhodes and as Barry Goldwater [1] ticked off the Members who were leaving at either end of the Capitol, I can tell you from personal experience there will be a great void. And I wish them all well even though I wish all of them were going to stay.

Let me say to the Members of the House and Senate who are here that I am deeply grateful for the outstanding work that they have done since I have been President, particularly in the 94th Congress where the odds were infinitely worse than they were even in the preceding Congress.

The record shows that despite the overwhelming odds against you—those in the House as well as in the Senate, Republicans primarily—you have built an outstanding record of innovation, farsightedness, restraint, and responsibility in

[1] Representative and Senator, respectively, from Arizona.

the affairs of government. It is obvious to you that you are not to blame in any way whatsoever for the results of a recent survey which showed that only 9 percent of the American people have a great deal of confidence in the Congress as an institution. And I think that is a very, very bad situation in our country today.

However, it is just as obvious where the blame does lie—with the 2 to 1 Democratic majority in the House as well as in the Senate. The record of that majority is a record of failure, it is a record of timidity—it is a record of failure. And I hope and trust that the American people will repudiate that record and rectify the lopsided ratio on November 2, 1976.

The American people should be very, very grateful for the solid and responsible Republican votes in the United States Congress in 1975 and 1976. And let me say from a very personal basis—without hesitation, qualification, or reservation—I am deeply grateful for the help and assistance that they have given me. But I say it is high time the Republicans have a majority in the Congress once again. And you have my solemn pledge, every one of you who are seeking reelection, that I will do my very, very best in any way I can to make sure that we get that majority in 1977.

The Democratic Party has controlled the Congress 38 out of 42 years. Either Ted or Guy said 40 out of 44, but in either case it is much too much. On issue after issue after issue Democratic Congresses have failed to meet the needs of the American people. They have frustrated, in my own case, my attempts and your attempts to meet those needs.

Control, as we all know, carries with it responsibility, and two-thirds control makes that responsibility inescapable. They can't avoid the fact with those kinds of majorities that they have the responsibility to do what is in the best interests of the American people across the spectrum, either domestic or international.

The legacy of 21 years of continuous Democratic control in the Congress is found in the layer upon layer of Federal bureaucracy, it is found in the multiplicity of Government regulations, redtape, and those 5,200 forms that have to be filled out by our fellow citizens. It is found in the heavy burden of taxes imposed on the American people, all segments of our economic society. It is found in higher and higher and higher levels of Federal spending for more than 1,000 Government programs.

The American people should know that it is useless to look to the controlling elements of the Democratic Party for relief from big government. The Democratic Party is the cause of big government—the Republican Party is the cure.

As I see it, if the American people want limits on Federal Government—and they do, as I see it—they want a Republican majority in the Congress of the United States. If they are ready for an additional $10 billion tax cut, which I propose to start July 1 of this year, but which the Democrats refuse to give, then they are ready for a Republican majority in the United States Congress. If they are ready to support my budget proposal, that cuts by 50 percent the rate of growth in Federal spending, while the Democrats propose a budget which would be increased between $20 billion and $30 billion higher than the spending that I recommended, then they are ready for a Republican majority in the United States Congress.

I think most of you know that since August of 1974, I vetoed 46 bills in the past 19 months. Thanks to the strong and often courageous support of the Republican Senators and Members of the Congress and with the help from some discerning Democrats on the other side of the aisle, we were able to sustain 39 of those vetoes. And thanks to our going to the mat for fiscal integrity, those 39 sustained vetoes will have saved the American people a minimum of $13 billion. But, I add parenthetically and with some sadness, the seven vetoes that were overridden will cost the American taxpayers an extra $7 billion and, just to bring it right close to home, that averages out 32 extra tax dollars for every man, woman, and child in the United States.

Now, if the American people want sound fiscal management, they want a Republican majority in the United States Congress. If the American people want a balanced Federal budget in 3 years, plus another additional tax reduction, they want a Republican Congress in 1977 and 1978.

Today, while America's dependence on foreign energy supplies continues to grow, while we approach the point where we will import more than 50 percent of oil from foreign sources, the majority in this Congress are pursuing an energy policy of politics and delay. Their position on the energy crisis is to take the most politically palatable course and hope the problem will go away after election day.

The American people should know that it is a Republican administration that has proposed every one of these major energy initiatives—deregulation of natural gas, creation of an energy independence authority, the Nuclear Fuel Assistance Act, tax incentives for accelerated petroleum exploration, and the budget proposals for increased energy research and development. If the American people want energy independence—and we must absolutely have it—we need a lot more Republicans in the United States Congress.

I found that you do have to bite the bullet occasionally and sometimes you do it in programs or in areas where politics might dictate otherwise. But let me bring up one subject that I think ought to be mentioned very specifically, very categorically. Today, while 32 million social security recipients wonder whether their Social Security Trust Fund will run out of money in the next few years, what are the Democrats in the Congress doing to maintain the integrity of the Social Security Trust Fund? Just because it is an election year, will they face up to the growing deficit in the social security fund while there is still time to take a very positive action and do it so that the fund will take in as much as it pays out? If the American people want to be sure there is a strong and solvent social security fund in the future, then they want a lot more Republicans in the United States Congress.

And, finally, today while the American people seek continued assurance that America's defenses are second to none, while I have proposed the two largest peacetime defense budgets in the history of our country to bolster that assurance and to guarantee our security, some Democrats in the Congress seek to cut the defense budget by some $6 billion. In fact, over the last 6 years anti-defense majorities of the Democratic Congresses have slashed national defense programs—expenditures, if you will—by a total of $32 billion, and let me say we are not going to let that happen in 1976.

I am very encouraged by yesterday's actions by the House and Senate Budget Committees in substantially approving the defense requests that I had made—a total availability of funds of $112 billion-plus and some $100-plus billion in expenditures. And I compliment both the Republicans and the Democrats who hung in there and voted for a strong national security program. But the record shows that those votes were very, very close, and we are a long way from final passage. If these early threats of major defense cuts are revived along the legislative way and Congress sends me a bill that fails to meet our essential national defense expenditures, I will veto that legislation without hesitation at all.

The American people know that we have no choice but to match strength with strength; that we must maintain our capability to deter aggression, to keep the peace, and to protect our national security. If the American people truly want assurance that America's defenses are unsurpassed, they want a lot more people like what we find here tonight in the United States Congress.

In every single one of the issues that I have sought to mention tonight, and there are more that we could mention by name, the Democratic 94th Congress has demonstrated that it is out of step and out of touch with the American people. Our task in this election year, and it is a very crucial one, is to make sure

that a lot more Republicans, who are in step and in touch with the people in 50 States, are in office when the 95th Congress convenes on January 3, 1977. I have promised repeatedly, and I promise you again tonight, that I will do everything I possibly can to win a Republican majority in the United States Congress, the House and the Senate, in 1976.

Having served in the minority in the House of Representatives in the 25-plus years in every year except 2 and having had the honor to be the minority leader in 9 years or thereabouts, always in the minority, I can assure you that it is not easy. John Rhodes put it very succinctly: It is not only the speakership, it is not only the power to control the programing, it is the power of every committee chairman, and people in this room that I have known a great many years know the power of a committee chairman. And if we are going to get the kind of consideration for legislation that is needed and necessary for this country, both at home as well as abroad, we need that kind of leadership in every one of the 20-plus committees in the House and the 15 or so in the United States Senate.

And so, I am willing to dedicate my time to the maximum to help in recruiting candidates, to raise money for them, to help elect them. And it was almost exactly 2 years ago tonight I made a speech as Vice President to the Midwest Republican Leadership Conference in Chicago. I said at that time, and I say with emphasis this evening, that the Presidency alone cannot ensure the success of our cause if we do not win sufficient party support in the Congress for our programs or our policies. Furthermore, that support cannot be fully ensured without strong Republican involvement and representation from the grass roots up, from the county courthouses to the city halls and to the State legislatures.

I said 2 years ago, and I reiterate again with emphasis, that every Presidential candidate of the Republican Party should pledge to work within and for the benefit of the Republican Party, to campaign not only for himself or herself but for the whole Republican ticket from top to bottom, and I pledge that to you again here tonight. I said then and I repeat now that I will never do or say anything to weaken or divide this Grand Old Party which all of us love so much and all of us believe has the right political philosophy.

I have always campaigned for the unity of our party, recognizing that conscientious men and women could differ on particulars without forsaking the basic Republican philosophies to which they are committed. For the 36 years since I first took an active part in Republican politics, that has been my philosophy and it has been my practice, and I will not abandon it in 1976.

Quite a few of you, I am sure, know that I have campaigned many, many times in all of the 50 States on behalf of candidates for the Congress and other offices

that we all felt were significant. And I am proud of the fact that I have met so many wonderful people in each of these 50 States, whether we won or lost.

As Guy has told me, in last year alone I sent a letter out that he had to raise some $2 million-plus for the Congressional Campaign Committee. I know it will be well spent and it will produce results. As Ted indicated tonight, I feel strongly that this same kind of a letter ought to go maybe to some of you, and I hope you will respond, for the Members of the United States Senate who are going to be candidates this year. Last year, because I think it is vital that we get our State party organizations and local party organizations strengthened, I traveled to some 23 States and raised approximately $6 million for the National Committee and our State organizations. This is the way we have to build, from the grass roots up, a party organization so that we can actually execute our philosophy which we all believe in so very deeply.

I must say that as I have talked to many of the people like Guy and Ted and others, I don't think we seek to elect Republicans simply for the sake of our party's pride. More importantly, as I have seen it over the years I have participated, we seek victory to secure our country's future.

Franklin D. Roosevelt once said: "The future lies with those wise political leaders who realize that the great public is interested more in government than in politics." That lesson has apparently been forgotten by too many of today's Democrats. In the last 15 months, far, far too many Democrats in this Congress have steadfastly refused to bite the bullet or to make the tough decisions on major issues facing our country today. The American people, as I travel around, are seriously concerned with these basic issues, and they have every right to expect that Congress should deal with them very seriously and very effectively because they are of deep concern to them.

Expediency and complacency cannot really reflect the American mood in 1976. Our situation today demands a new birth of the creative spirit, the courage, the sacrifice, and the determination with which other generations have met their challenges in America. That example should be set rightly by those of us in public life.

I am proud that the Republicans in the House and Senate have accepted this responsibility and set this example so forcefully during the 94th Congress. I am, too, proud of the record of peace and rising prosperity which this Republican administration is presenting to the American people in 1976. A Republican majority in the Congress, working with me, would make progress for America so much easier and so much more certain in the years ahead.

It is not only our duty but our great opportunity to work together this year, 1976, our Bicentennial Year, for a common victory—a victory for the principles, for the programs that unite us as Republicans philosophically.

So, I close with this comment. Let us work together and then walk together for the great American people, some 215 million of them, in the path of peace, on the road to prosperity, and on the way to victory in 1976.

Thank you very much.

NOTE: The President spoke at 10:22 p.m. at the Washington Hilton Hotel. In his opening remarks, he referred to Senator Ted Stevens of Alaska, chairman of the National Republican Senatorial Committee, and Representative Guy Vander Jagt of Michigan, chairman of the National Republican Congressional Committee.

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Remarks at the Swearing In of the Membership of the President's Foreign Intelligence Advisory Board. *April 1, 1976*

LET ME first welcome the new members of my Foreign Intelligence Advisory Board and all of the other guests who are here, including Justice Powell.

The new members, of course, are joining a very distinguished institution established by President Eisenhower some 20 years ago. It has served every President since that time in providing advice essential to our national security.

I recently announced, as all of you know, the first major change in our foreign intelligence community since the end of World War II. My actions were designed specifically to strengthen our foreign intelligence agencies to be certain that America has the information it requires both in peacetime as well as in war.

I also announced very specific reforms that ensure individual rights of American citizens to make certain that they are fully protected. My decision to enlarge this Advisory Board demonstrates our full intention and determination to achieve the best possible foreign intelligence.

This panel of very distinguished American citizens acts as a bridge between a basic strength of America, the genius and innovation found in our private sector, and the Government's responsibility to maintain effective foreign intelligence. Such capacities are absolutely vital to our national security and to our foreign policy.

The strength of America has never been found in government alone; it is the support of American citizens who contribute to the government as a whole. I

look to all of you, and it is a very distinguished group under the leadership of Leo Cherne, to provide me with very candid, very frank, and very wise advice as to the quality of our foreign intelligence effort. Your diverse backgrounds and individual records over a long period of time will make this Board an exceptional asset in efforts to strengthen our foreign intelligence.

I am confident that you, individually as well as collectively, will serve America with great distinction. And I will meet with the Board immediately after the swearing in by Justice Powell. And I ask you, if you would please, Mr. Justice, to swear in this distinguished group.

[*At this point, Lewis F. Powell, Jr., Associate Justice of the Supreme Court, administered the oath of office.*]

THE PRESIDENT. Thank you very, very much, Mr. Justice. I appreciate it.

JUSTICE POWELL. It is my privilege. I am very interested in the work of this Board. I think it is a very distinguished Board, quite obviously.

THE PRESIDENT. Thank you very much.

Leo, do you want to say anything, or do you just want to come in and——

MR. CHERNE. Let me just add very briefly, what an extraordinary privilege it is for me to serve as Chairman of this Board. But the particular privilege includes not only the opportunity to serve the President but to have a group associated with this effort as distinguished, as varied in its extraordinary capabilities as are represented on this Board.

Mr. President, we will, with every resource available to our minds, give you the very best of judgment we are capable of.

Thank you.

NOTE: The President spoke at 11:07 a.m. in the Rose Garden at the White House.

For the announcement of the membership to the Board and the designation of Leo Cherne as Chairman, see the Weekly Compilation of Presidential Documents (vol. 12, p. 376).

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Memorandum on a National Swine Flu Immunization Program. *April 1, 1976*

[Dated March 31, 1976. Released April 1, 1976]

Memorandum for the Heads of Departments and Agencies

Last week I announced plans for a national immunization program to inoculate Americans against a swine-type influenza virus. Because of the serious nature

of this virus, it is my hope that every man, woman, and child in the country can be inoculated before the end of this calendar year.

Since there are no precedents for an endeavor of this magnitude, I am issuing this directive to assure completion of the task in an appropirate, orderly, and timely manner. The Secretary of Health, Education and Welfare, David Mathews, will take the lead in this effort, but it is essential that all federal department and agency heads give him their full cooperation in carrying out this program.

I have asked the Congress for a supplemental appropriation of $135 million for this program. The Public Health Service, under the direction of HEW Assistant Secretary for Health, Dr. Theodore Cooper, will proceed with the planning and implementation efforts to make the vaccine available to all Americans. This activity will be carried out in close coordination with the Center for Disease Control, the Bureau of Biologics of the Food and Drug Administration, and the National Institutes of Health.

These efforts will include utilization of State and local health agencies in conducting immunization programs, and as distribution centers for vaccine. It will be necessary to have the full cooperation and participation of the private sector, as well as government, to assure the immunization of the total population in the brief time available. In particular, we will need to mobilize the vast resources of private sector health professionals and facilities.

National Influenza Immunization Plan Objectives

—The vaccine must be tested in field trials for efficacy and effectiveness, and 215 million doses produced to immunize the entire population.

—The nation's health professionals must be encouraged to fully support this effort to increase the effectiveness of the immunization program.

—The public must be made aware of the importance of inoculation against this type of influenza virus through a nationwide citizen awareness program.

—The vaccine, along with sufficient medical supplies and equipment, must be distributed through the State agencies. Every opportunity for inoculation must be maximized including mass immunization and the utilization of delivery points already in place, such as physicians' offices, health department clinics, community health centers, and public facilities.

—Epidemiologic and laboratory surveillance will be maintained to evaluate the effectiveness of this effort and to determine disease trends and outbreaks so that any necessary additional immunization and health efforts may be directed toward epidemic control.

Initial efforts are now underway by the Public Health Service.

Our goal is to ensure that the flu vaccine is available at public health facilities, hospitals, schools, and physicians' offices throughout the country and that a maximum number of Americans avail themselves of it. Clearly we have the scientific and medical resources to undertake this action. We will only succeed, however, by effectively mobilizing all units of government, including Federal, State, and local officials, the medical profession, hospitals, clinics, and the manufacturers of the vaccine.

Because the health of our nation is at stake, I intend to give this matter my direct and continuous attention, and I am asking each of you to make a similar commitment within your own organization.

GERALD R. FORD

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Remarks Upon Presenting the Presidential Medal of Freedom to Arthur Rubinstein. *April 1, 1976*

Mr. and Mrs. Rubinstein, distinguished members of the Cabinet, guests:

Let me welcome each and every one of you to the White House this afternoon. Many of you, as I look around the room, have been here from time to time over the years; and as long as Betty and I are here I hope that you will regard the White House as a home away from home.

As most of you know, the Medal of Freedom is the highest civilian honor that is within the power of the President of the United States to bestow. I feel very deeply privileged on this occasion to act on behalf of all Americans in presenting that medal to one of the giants of our time.

The legend of Arthur Rubinstein has been built upon many, many pillars. Critics have acclaimed him the greatest master of the piano living today, a musician as thoroughly familiar with Chopin and Beethoven as with the interpretations of more modern Spanish and Impressionist pieces.

It is difficult for many of us to believe that Arthur Rubinstein made his New York debut in Carnegie Hall some 70 years ago. He was a young man and by his own account he was not yet the artist that he knew he could be; but in the years that have passed then, through his extraordinary dedication and through the support of his lovely wife and family, who are here with us today, he has turned his vision and his interpretations into an uncompromising standard of musical excellence.

Yet, to millions of fans across the globe, Arthur Rubinstein has given something more than the joy of music—he has also given the joy of life itself.

"I love life unconditionally," he has said, and he has communicated that sheer delight to generation after generation. It was his late and very fine friend, Sol Hurok, who wrote, after first hearing Mr. Rubinstein in 1921: "The power of his personality and the sense of grandeur and poetry that enveloped his playing filled me with almost unbearable excitement."

The multitudes who have packed concert halls in Europe, in the Soviet Union, and Latin America, and in the United States—they, too, have felt that unbearable excitement from this man.

Here in the United States we feel a very special bond with Arthur Rubinstein because in 1946, some 30 years ago, he chose to make America his home. Arthur Rubinstein has been decorated and celebrated in almost every land, but it is said that above all else he values the document that made him an American.

I know that many of you here today have long looked forward to this moment, and I feel proud that on this 200th anniversary of our Nation, I have the great privilege to present this medal to one of our greatest national treasures, Mr. Arthur Rubinstein.

And now, Mr. Rubinstein, if you will please step forward, I will read the citation and will present to you the Medal of Freedom.

[*At this point, the President read the citation, the text of which follows:*

THE PRESIDENT OF THE UNITED STATES OF AMERICA
AWARDS THIS
PRESIDENTIAL MEDAL OF FREEDOM
WITH DISTINCTION
TO
ARTHUR RUBINSTEIN

Musician, gentleman, and bon vivant, Arthur Rubinstein has shared his singular and deeply personal mastery of the piano throughout the world. For over seven decades, his ceaseless vitality, his luminous spirit and his profound depth of mind have brought a fresh sparkle to the lives of people everywhere. His audiences love him; his colleagues and friends revere him; and his country, the United States of America, is proud to proclaim him as a giant among artists and men.]

NOTE: The President spoke at 12:25 p.m. in the East Room at the White House.

Following the ceremony, a reception was held in the State Dining Room after which Mr. Rubinstein and his family had a private lunch with the President and Mrs. Ford.

Mr. Rubinstein's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 527).

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The President's News Conference of *April 2, 1976*

THANK YOU very much, Mr. Thompson [Jack Thompson, president, Milwaukee Press Club]. If I could take one minute.

Flying out here this morning, I learned that the Department of Labor issued some more good economic news. They indicated that the unemployment figure went down again for the month of March to 7.5 percent. I ask you to compare that with 8.9, as I recall, in May of 1975.

The most encouraging news was the fact that this report indicates that 86,700,000 people are gainfully employed—the highest number of people employed in the history of the United States—and since March of last year, we have added 2,600,000 more jobs in the United States. So, we are making real progress in reducing unemployment and, at the same time, increasing employment.

With that, I will be glad to answer any questions.

Questions

SCHOOL BUSING

[1.] Q. Mr. President, I've got two questions, if you will.

Milwaukee has been ordered to integrate its public schools. Do you have any thoughts on how to achieve racial integration?

THE PRESIDENT. Well, I have always believed that the constitutional right of equality must be protected by the courts of the land and by all other public officials. On the other hand, I do not believe that court-ordered, forced busing to achieve racial balance is the right way to get quality education.

We have ample evidence that in those instances where it has been applied—court-ordered, forced busing—there has not been an increase in quality education. It is my belief that there is a better way to improve educational opportunities and, at the same time, to improve the integration of our society as guaranteed by the Constitution.

The Esch Amendment, which was passed by the Congress in 1974 and signed by me, provides a series of steps whereby we can desegregate and, at the same time, improve educational opportunity with an emphasis on the neighborhood schools.

I will not pass judgment on any one court order because that is a responsibility of the judicial system, and I will, of course, under the oath of office that I took, have to enforce the law as decided by the courts. But if you want quality education, which I think we all want, court-ordered, forced busing is not the best remedy.

WISCONSIN PRIMARY ELECTION

[2.] Q. Every indication we have says that you will win in Wisconsin. How do you predict that you will do on April 6?

THE PRESIDENT. I always assume—and I think it is true here in Wisconsin—that we will win, but I am not going to get in any numbers game. It is a hard battle. I think we have the affirmative programs and affirmative policies both at home and abroad, and I believe that a majority of the people voting in the Republican primary in Wisconsin will support my candidacy.

TRUCKING INDUSTRY NEGOTIATIONS

[3.] Q. Mr. President, in regard to the good job news, now there is a Teamsters strike that might cloud up the job picture. How long will you wait before invoking the Taft-Hartley Act if the talks don't progress?

THE PRESIDENT. We are counting on the labor-management negotiations to settle the differences. I have been in constant communication with the Secretary of Labor, Mr. Bill Usery, who is working with both labor and management trying to get an agreement. As a matter of fact, I talked to him last night, late, and he called me this morning as we arrived here in Milwaukee. And no settlement has been agreed to, but progress is being made, and I don't think it is advisable for me to comment as long as the two parties are negotiating.

I am optimistic and hopeful and, therefore, it is my belief that the proper procedure is to let the negotiations take their course, and I think a settlement will be accomplished.

PANAMA CANAL NEGOTIATIONS

[4.] Q. Mr. President, Governor Reagan has raised questions about the sovereignty of the Panama Canal. Will you tell us who owns the Panama Canal, and who will own it in 10 years?

THE PRESIDENT. Well, the United States made an agreement a good many years ago for the utilization of a strip of land and for the construction of a canal. The United States over the years has maintained the national security of that strip of land and the operation of that canal, and we have operated the canal.

The White House, with President Johnson first, President Nixon second, and myself third, has been negotiating with the Panamanian Government to find a way to avoid the kind of incident that took place in 1965 where 30 people were killed, including, as I recall, some 10 Americans. If we can negotiate an agreement which will protect our right to defend that canal and to maintain and operate that canal, there is a possibility that an agreement will be reached. But none has yet, and it is something that is in the negotiating process and no further.

SITUATION IN LEBANON

[5.] Q. Mr. President, with Syria poised to invade Lebanon, there are some fears of a full-scale war erupting in the Mideast. How does the administration view the events?

THE PRESIDENT. The administration has taken a very firm position that no outside government should invade Syria (Lebanon). That means no government should move in and try to, with military force, take care of the situation in Syria (Lebanon). Furthermore, we have strongly urged a cease-fire. And 2 days ago, I sent a personal envoy, Mr. Dean Brown, to Lebanon. He has been in contact with the various parties there. I believe that his efforts were significant in getting the cease-fire which is now in place, and if we can keep that cease-fire, get a change in the Government, I think the danger of any invasion by any party will not materialize.

I repeat, we are against the invasion of Lebanon by any force. And we are seeking to get, and have helped to achieve, a cease-fire, which is the first constructive step to stabilize and to improve the situation.

MEETING WITH JOHN CONNALLY

[6.] Q. Mr. President, could you tell us something about the fruits of your conversations with Governor Connally last night?

THE PRESIDENT. Governor Connally and Mrs. Connally are very good friends of Betty and mine. We have known them rather well for some 15 years. Over the years, we have always discussed politics; we have always discussed issues, particularly national defense issues. We spent about 3 hours together last night. We covered those same subjects. We talked about politics; we talked about the campaign; we discussed issues. And we certainly discussed the national defense policies, because he was a former Secretary of the Navy, and I was formerly on the Defense Appropriations Committee for 12 years, and I knew him then. And we both understand and, certainly, are knowledgeable about defense policy. But other than those broad comments, I think I should not say any more.

Q. Did you in any way discuss his role in the campaign, or what he might do for you in Texas?

THE PRESIDENT. We discussed the campaign, both as far as the country was concerned in the primaries as well as the runoff in November of this year. Governor Connally indicated to me that—something he said before—that he thought I would win the nomination. But other than that specific, I don't think I should divulge the content of the discussion.

CAMPAIGN ISSUES

[7.] Q. Mr. President, Jimmy Carter says the biggest issue in this campaign is restoring integrity to government; Morris Udall says it's jobs; Henry Jackson says it's détente; and Ronald Reagan says it's eliminating the Federal bureaucracy. What, in your opinion, is the most specific, biggest issue in this campaign?

THE PRESIDENT. Well, the issue of integrity of government, I think, is settled as far as my candidacy is concerned. A House and Senate committee went into my background, my record in great, great depth, more than any other person has been investigated in the history of the United States. And so as far as I am concerned, I have a proven record of integrity as far as my own life is concerned. But from the point of view of the issues, I think it is the building up and the strengthening, the fortifying of our economy to restore the kind of permanent prosperity that we must have so that anybody who wants a job can have a job and, secondly, that we can get the rate of inflation down in the range of 2 to 3 percent or less.

I also think it is vitally important that we maintain the peace that we have, a peace through strength, a peace through negotiation not confrontation, a peace that will not take us back to the cold war era like some people want. If we can keep peace and maintain or achieve prosperity—and my policies do it—I think those are the issues.

ANGOLA AND VIETNAM

[8.] Q. Mr. President, one other question. How do you justify Secretary of State Kissinger's logic that Cuba should not send their troops to Angola, in light of our own recent involvement in Vietnam?

THE PRESIDENT. There is no comparison whatsoever. In the case of Vietnam, there was an established government. We were invited in to participate in Vietnam. In the case of Angola, there were three forces that were competing—the MPLA [Popular Movement for the Liberation of Angola], the FNLA [National Front for the Liberation of Angola], and the UNITA [National Union for the Total Independence of Angola]. There was no government in Angola after

the Portuguese left, and so Cuba, by going in with 12,000 Communist mercenaries were trying to establish a government to their liking. It is a totally different situation, not comparable to Vietnam at all. And that kind of adventurism the United States will vigorously condemn, and take appropriate action in the future.

AID TO EDUCATION

[9.] Q. Mr. President, I am from the Marquette University radio station. Since you announced your $700 million student aid cut, there has been a bit of an uproar among the students. How would you explain to the students across the country the necessity of a cut this large, when it might force many of them to leave school?

THE PRESIDENT. Just yesterday or the day before, for the fiscal year 1976 and for the school year of 1976–77, I submitted to the Congress a revision in the budget to permit the increase up to $1,100 million in what we call basic opportunity grant programs. Last year when I submitted the budget for that—I recommended roughly $1,100 million—the Congress cut it and made some other changes. Just a day or two ago, I asked the Congress to take it back up to $1,100 million. I hope they will do so. If that is the case it will provide a maximum allowance of $1,400 per student, maximum—an average, as I recall the figure, of about $850 per student. I am trying to get the Congress to do what I asked them to do when I submitted the budget for fiscal year '76—$1,100 million.

PRESIDENT'S CAMPAIGN STRATEGY

[10.] Q. Mr. President, do you have any plans to change your campaign strategy, perhaps take a more direct approach toward Mr. Reagan after his remarks Tuesday night?

THE PRESIDENT. I think we have to recognize that Mr. Reagan's political speech the other night was a rerun primarily of what he has been saying in Florida and in North Carolina. It was a speech that was filled with misleading statements. It was a speech that attributed certain quotes to Secretary Kissinger, which were a fabrication and invention. I am not going to get into the details. I am going to talk affirmatively about what we have accomplished both at home and abroad. And I think the voters will support that kind of a program, rather than a political attack without any recommendations how to solve the problems that he discussed.

Q. Do you think Mr. Reagan is an issue in the campaign?

THE PRESIDENT. I think that is for the public in Wisconsin and elsewhere to make the decision.

STRUCTURE AND FINANCING OF THE FEDERAL BUREAUCRACY

[11.] Q. Mr. Ford, this is another question on issues. So far as the campaign rhetoric goes, there seems to be two candidates who have preempted the issue of so-called bloated, stumbling bureaucracy—Carter and Reagan. Yet you are considered by many voters a conservative, and early in your administration you talked about this problem a good deal. If Reagan fades, is this something you could pick up on as a campaign issue, is it something that concerns you?

THE PRESIDENT. I have done more than talk about trying to get the bureaucracy under control. The first decision I made when I became President in August of 1974, was to insist upon a cutback in the projected increase in Federal employment of 55,000. And we achieved that reduction.

Number two, I ordered, about 6 months ago, the Director of OMB to cut back on the number of forms that are required by the American people to fill out and submit to the Federal Government. I ordered a 10-percent cutback. We have achieved a 5-percent cutback already, and by July 1 of this year, I am assured that we will have accomplished our record of a 10-percent cutback in the forms that plague the American people, where they have to fill out this, this, and this. It is a record of performance, both as to a reduction of U.S. Government personnel and a reduction in the redtape and bureaucracy in the Federal Government.

Q. How about the structure of the Federal bureaucracy which Carter talks about completely reorganizing?

THE PRESIDENT. The structure of the Federal Government is always under review, and the Office of OMB is constantly going into every Department to try and get rid of functions and responsibilities in individual Departments to improve their management. It is a possibility that in the next administration, that we would undertake something comparable to the Hoover Commission, which was set up first in 1946 and came through with its recommendations, and a second Hoover Commission in 1953 or '54, as I recall. That is a possibility in the next administration and, if I am the President, which I think I will be, we will have something comparable to the first two Hoover Commissions.

Q. Would zero-base budgeting be one of the things you would look at?

THE PRESIDENT. Well, the Hoover Commission did not go into the financing aspects; it went into the organizational structure of the Federal Government. And a third Hoover Commission—if that is the right name—would probably go in again, trying to analyze the existing structure of the Federal Govern-

ment and make structural recommendations and consolidations and eliminations.

Q. You are not interested in zero-base budgeting as an idea?

THE PRESIDENT. I am very interested in reducing the expenditures of the Federal Government, and if the Congress would go along with my budget for fiscal year 1977, we would cut roughly $28 billion out of the projected Federal budget for that fiscal year. And so I am very definitely interested in reducing the growth of Federal spending. And if the Congress goes along with the budget that I submitted for fiscal '77 and does what I have projected in the next 2 fiscal years, we can have a balanced budget and we can have an additional tax reduction.

VICE-PRESIDENTIAL RUNNING MATE

[12.] Q. Mr. President, at this point in the campaign, who are you considering as your running mate should you win the nomination?

THE PRESIDENT. We have a great number of very qualified Republican potentials for Vice President. I have named them from time to time. We have some Governors, some former Governors; we have some Members of the Congress—House and Senate; we have some others outside of government. So, we have a vast potential of excellent candidates, but it is premature now to identify any one or even several.

Q. You haven't narrowed down the list?

THE PRESIDENT. I have not concentrated on that in recent weeks, but I reassure you, we have plenty of excellent potentialities.

REPUBLICAN PARTY UNITY

[13.] Q. Mr. President, it has been said that, perhaps, at least after Kansas City and maybe before, you would like Ronald Reagan's support. Does that cramp your style now in answering him? Is that why you're saying that you don't care to get into a discussion with him on the issues?

THE PRESIDENT. I think it is important for the Republican Party and its candidates to maintain as much unanimity and unison as possible, and I have tried to keep down any personal attacks. I have sought to discuss my programs affirmatively, both foreign policy as well as domestic policy. I think that is the way to keep this unity within the Republican Party. And furthermore, never in my history of some 13 campaigns, have I ever personally attacked any opponent. I don't think that is productive.

U.S. MILITARY CAPABILITY AND THE DEFENSE BUDGET

[14.] Q. Would you once again comment on his specific charge in his broadcast, where he says that we are a second-rate power and he quotes Admiral Zumwalt?

THE PRESIDENT. I will be very, very glad to discuss our military capability. The United States is unsurpassed by any other nation as far as military capability is concerned.

Now, let me talk about our strategic forces. The strategic forces of the United States—ballistic missiles—ours are much more accurate than those of the Soviet Union. Ours are much more survivable than the Soviet Union ballistic missiles. We have far more warheads and about a 2 to 1 ratio over the Soviet Union, and it is warheads that do the damage if they are ever used. And we have a lead of about 3 to 1 in strategic aircraft—B-52's and others.

So, the United States has the kind of strategic military capability that our military advisers over the years have indicated they thought was in the best interest of the United States. So any charge that the United States is not fully competent in a strategic sense is inaccurate.

Q. Well, sir, are you saying, then, that we definitely are number one and that Mr. Reagan is absolutely incorrect?

THE PRESIDENT. I am saying that we are absolutely unsurpassed in military capability, and we have the full capability in a military sense to deter aggression, to maintain the peace, and to protect our national security. And we have the kind of a military force that our Chiefs of Staff recommend that we have for our national security.

I might add, if there is any criticism, any legitimate criticism of our military capability, I suggest those who criticize it look at the record of the Congress for the last 6 years, where the Congress has cut $32 billion out of the defense appropriation bills.

And I add very quickly, the two budgets that I have submitted to the Congress for their consideration—I included last year the highest peacetime military budget in the history of the United States. And this January, I submitted again the highest military budget in the history of the United States. Last year, the Congress cut $7 billion out of that budget. This year, as I have indicated, if they make any major reductions, I will veto their appropriation bill for the Army, Navy, Air Force, and Marines.

I have an impeccable record of standing for a strong Defense Department and a fully capable, fully trained, fully equipped, and ready military force.

And any accusation to the contrary is a lack of knowledge or for political purposes.

Q. Mr. President, if that is the case, and inasmuch as we are told that in Texas today, Senator John Tower is going to challenge Mr. Reagan to debate the Senator on the issue of national security, why do you not accept Mr. Reagan's challenge to debate him yourself?

THE PRESIDENT. Well, we have indicated over the whole period of time that I should talk affirmatively about the programs and the record that I have. I think that is the way for me to proceed. If Mr. Reagan wants to make the kind of political criticism that he has made on several occasions, including last Wednesday, that is his privilege. But I don't think the American people will buy it.

Q. Well, don't you think the American people would have a better opportunity to weigh the arguments on both sides if you were to shape them at the same forum?

THE PRESIDENT. I don't think a debate is needed and necessary. The facts and figures are outlined; I have stated them. As far as we are concerned, we have more survivability, more accuracy, more warheads by a significant amount. We have a 3 to 1 lead in strategic aircraft. Those are the facts, and those are the recommendations of our Joint Chiefs of Staff. And any debate with a person who is not familiar with the facts, I don't think would be helpful.

Q. Mr. President, may we have one more question, please?

THE PRESIDENT. Sure.

Q. Mr. President, following up on the $32 billion that you said was lopped off the defense budget, well, if the present trend continues, couldn't the United States very well find themselves in that number two slot?

THE PRESIDENT. If it went over a long period of time, yes. And that is one reason why I strongly am trying to get the Congress to get along with the $112.4 billion defense budget which I recommended in January in what we call obligational authority, and $101.1 billion in expenditures for the Army, Navy, and Air Force and Marines in the next fiscal year.

And if we keep the trend that I have recommended, we will stay ahead of any other military force in the world. And that is why I changed the direction, or changed the trend, so we would maintain the fact that we are unsurpassed.

Q. Sir, if you are not able to push this legislation through, will then we be in a position of being in danger of being number two?

THE PRESIDENT. Well, if the Congress makes the cuts in this fiscal year like they have made over the last fiscal year, yes, the trend would continue in the

wrong direction—the trend that the Congress has imposed upon Presidents. If the Congress follows my defense budget this year and if they had followed the one last year, the trend would be reversed, and we would continue to maintain our total strategic conventional war capability.

So, the issue is now on the desks of the Congress. My program keeps us unsurpassed. So, the Congress now has the responsibility, and if they cut it, the bill will be vetoed, as I indicated earlier this week.

REPORTER. Thank you, Mr. President.

THE PRESIDENT. Thank you very much, Mr. Thompson.

NOTE: President Ford's twenty-ninth news conference was held at 10:12 a.m. on Friday, April 2, 1976, in the Crystal Ballroom at the Marc Plaza Hotel in Milwaukee, Wis.

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Remarks and a Question-and-Answer Session With Representatives of Greater Milwaukee Ethnic Organizations. *April 2, 1976*

FIRST, LET ME express my deep appreciation for all of you being here. And after I make a few prepared remarks, I will look forward to the opportunity of responding to any questions, whether it is on the subject matter that I am speaking on or any other subject, whether it is domestic or international matters.

I am reminded, as I see some of the faces here, of the meeting that we had with some of you, at least, in the Cabinet Room at the White House on July 25, as I recollect. At that time, some 30 leaders of the Eastern European community met with me to discuss problems relating to Western Europe and related matters. I understand, however, that that was the very first time that a President of the United States met with leaders representing the interests of so many Americans concerned about Eastern Europe.

I think on our Bicentennial anniversary, it is particularly appropriate that we in government recognize the great contributions of our citizens from Eastern Europe. Before departing for the European Security Conference in Helsinki last July, I stated my policy very categorically in reference to Eastern Europe. And at this time, let me reiterate that statement. I worked on it myself; I am very proud of it, and I think oftentimes it is not read in proper context.

It goes like this—It is the policy of the United States, and it has been my policy ever since I entered public life, to support the aspirations for freedom and national independence of the peoples of Eastern Europe with whom we have such

close ties of culture as well as blood by every proper and by every peaceful means.

I stated my hope and expectation that my visit to Poland, Romania, and Yugoslavia would again demonstrate the friendship and the interest in the welfare and progress of the fine people of Eastern Europe. This remains my policy, regardless of what any Washington experts or anti-Washington experts may say or write.

On July 29, 1975, in the market square of Kraków, Poland, I told a good many thousands who were assembled there that I was standing only a very few feet from the plaque marking where General Kosciusko stood and took his very famous oath to fight, to regain the independence of Poland and the freedom of all Poles. I said I was very proud to be in a place so rich in Polish history and so closely associated with the Polish hero in our own struggle for independence in the United States.

During my visit to Belgrade, I said that Americans particularly admired Yugoslavia's independent spirit. I said whenever independence is threatened, people everywhere look to the example of the struggle of Yugoslavian people throughout their history. They take strength and they take inspiration from that example. America's interest in Yugoslavia's continued independence, integrity, and well-being, expressed often in the past, remains undiminished.

In the joint communique which President Ceausescu and I signed in Romania,[1] we emphasized our support for a just and equitable international order which respects the right of each country, regardless of size or political or economic or social system, to choose its own destiny, free from the use or threat of force.

When I returned from Europe, I told the American people that I was able to deliver in person a message of enormous significance to all Europeans. My message was very clear: America still cares. And the torch in the Statue of Liberty still burns very brightly. We stand for freedom and independence in 1976, just as we stood for freedom and independence in 1776.

I have recalled these events because they underline the fact that my policy, America's policy toward Eastern Europe is fully, clearly, and formally documented. It is a creative and cooperative policy toward the nations of Eastern Europe. It is the policy that embraces our most important ideals as a nation. It is a policy that I have repeated in messages to Americans of Estonian, Lithuanian, and Ukrainian ancestry—and I add the Latvian people, that I know so well in my hometown of Grand Rapids, Michigan, know of my deep concern and devotion and friendship with them.

What it amounts to—there is no secret Washington policy, no double standard by this Government.

[1] See 1975 volume, Item 465.

The record is positive, consistent, responsive to your concerns, and I say it is indisputable. The United States strongly supports the aspirations for freedom, for national independence of peoples everywhere, including the peoples of Eastern Europe. I have followed this policy in my visits to Eastern Europe and in my meetings with Eastern European leaders here as well as overseas.

Our policy is in no sense—and I emphasize this—in no sense to accept Soviet dominion of Eastern Europe or any kind of organic union. Nor is it in any way designed to permit the consolidation for such dominion. On the contrary, the United States seeks to be responsive to and to encourage as responsibly as possible, the desires of Eastern Europeans for greater autonomy, independence, and more normal relations with the rest of the world.

This is the policy that I will continue to pursue with patience, with firmness, and with persistence—a policy from which the United States will not waiver.

Thank you very, very much.

Now, I will be very glad to answer any questions. And as I said, you can ask them about the subjects that I have discussed, but if you want to broaden it, I will be delighted to do so.

QUESTIONS

Q. Mr. President, ladies and gentlemen, it is an extraordinary privilege to welcome you to Milwaukee—a truly cosmopolitan, ethnic cross section of America. This is exemplified by the fact, Mr. President, that every fall we have an international folk fair here, and we have over 30 different ethnic groups. We have 100,000 people attending this affair.

I intend to be brief and concise.

First of all, the Americans with ethnic ties are very appreciative of your services to America during the time of immediate post-Watergate. And we will always remember this, and our prayers were with you every day during this period. However, this is a two-way street, and the name of the game, off the record, is voting. And I feel that we would like to offer you a service for your consideration in loyalty to fairness and justice of the Eastern and Southern European countries. Consequently, I would like to make a few brief observations.

The different nationality groups have been in the camp of the Democratic Party since Roosevelt's time. This is a known fact. Now, during the 1972 campaign of Nixon, I was surprised and amazed to see this ethnic group go along with Nixon and his campaigners. And it was amazing in my own office among the patients and the factories, the areas I traveled in America, and it was a surprise.

However, this was shortlived. And right after the 1972 election, our group not only became disenchanted with the national recovery and the plight of our people but it became bitter over the fact that it was denied the few band-aids, promises, and the minimum tokenism, too.

Consequently, Mr. President, something specific by you and through your administration must be done to win back this allegiance which was so shortly held by Nixon. Surprisingly, very little needs to be done. Specifically, the consensus I gather, talking to various ethnic groups around the country, number a few things.

Number one, the ethnic heritage studies. We ask the administration to give this full support. We, the ethnics, have paid our taxes, have supported the United States Government and the Armed Forces. And the highest number of enlistments in the First and Second World Wars have been silent, have manned the factories, and so on and so forth, and we ask very little in return. This was the first gesture by the United States Government towards the ethnic groups.

First, $100 million was supposed to be funded. They cut it down to $20 million, and finally they cut it down to $1.8 million, and this was also supposed to be eliminated until a last ditch stand. Now, we are not going to march in protest to Washington, D.C., but the ethnics will show it at the voting polls and, consequently, I ask that this administration give consideration.

Secondly——

THE PRESIDENT. Can I answer——

Q. Wait.

THE PRESIDENT. Let me say first, on the question of appointments and recognition, I think we have in our presence here now Mitch Kobelinski, who is in charge of the Small Business Administration.

Number two, on the ethnic education matter, about a week ago, the Office of Management and Budget and myself were discussing this with the head officials in the Department of Health, Education, and Welfare. And they are seeking a way, within the funds that have been appropriated, to continue the $1.5 million for that program. So, I can't say today that it is accomplished, but there are people in the top of HEW and in OMB who are working on it, and I am confident that they will find a solution.

Ask one more, and then I want to answer questions from some others.

Q. The second point I want to bring out—and I will be all through in a minute and a half—and that is the affirmative action program. We strongly request that the President, by Executive order, include Eastern and Southern Europeans in the affirmative action program if this is possible.

And thirdly, we ask in regards to the 1980 Federal Census—this is very important to the ethnics—we ask that all ethnics be included in the census. Now, only the first and second generation is included. You forget about the third, while the blacks and the Latins are always counted. This is important in many areas. And we request that——

THE PRESIDENT. One more, and then I have got to get on here.

Q. I agree with you. [*Laughter*]

We request that the United States publications that appear in Poland and other satellite countries have the same privilege—and they are allowed to be circulated in America—that these publications be allowed to be circulated in Europe.

The last point that we wanted to get support of—and this will take 10 seconds—is that the House bill number 9466, in regards to establishing a commission on security and cooperation in Europe, so we can follow through on the deals that we make with Russia and other countries.

Thank you.

THE PRESIDENT. On that last point, the European Security Conference agreement provided that there should be, within 2 years, another meeting to determine whether the agreements that were signed were lived up to. And we have people in the Department of State who are following it very closely, and we will be prepared in 1977 to go there and to make certain that what was agreed to in Helsinki is being carried out.

Q. Mr. President, we, here in Milwaukee, are very appreciative of the fact that in your administration you have appointed someone as the Special Assistant for Ethnic Affairs—the office that was long overdue, and I think this will help us in our area of making ourselves heard to you.

THE PRESIDENT. Well, I think we have a great person. I think we have an excellent representation of the ethnic groups in the White House. And so I am sure that I will hear if I make any mistakes, and he will forewarn me if I am about to. [*Laughter*]

Q. Mr. President, Bronko Terzich from the Serbian-Americans. As we spoke a little earlier, I indicated that if there is anything this group can offer you, it is the firsthand experience and knowledge of communism and totalitarian government. And I hope that you accept the counsel of those people here—that first generation that fought its way out of Eastern Europe and sought out the United States as the ideal homeland for their families.

Along with that line, there is a concern now about our current defense stand, our current strength. We spoke a little earlier about the National Guard and the fact that numbers are down—our military budget is the smallest as the percent-

age of the GNP it has ever been. Many of the people here that have been in the countries prior to World War II skimped on their military, now find themselves in enslaved nations. I wanted your comments on the military budget and the defense spending.

THE PRESIDENT. Let me first tell you that in January of 1975, I submitted to the Congress the largest peace-time military budget in the history of the United States. Unfortunately, the Congress cut it by $7.5 billion. The cut was too big, and if reductions of that magnitude were to go on, we would be in jeopardy.

On the other hand, in January of this year, to make certain that we keep the momentum going for our military capability so that we are unsurpassed, I recommended the largest military budget in the history of the United States, peace-time or wartime. It is $112.4 billion, with a $1,800 million increase in strategic funding, $4.8 billion in conventional force increased funding, a $1 billion increase in research and development, and a number of other increases. It was an increase of about 11 percent and, as you know, the budget for next year in many domestic programs is being reduced.

So, in defense, for the budget of the fiscal year 1977, I recommended a military budget that turns the trendline upward to maintain our unsurpassed military capability.

Now, let me take our strategic forces. Before I do it, I want you to know that I spent 14 years in the Congress of the United States, spending most of my time in military appropriations hearings. We would go 7 months a year, 5 hours a day, 5 days a week listening to Secretaries of Defense, Secretaries of the Army, Navy, Air Force, Chairmen, and Joint Chiefs of Staff. I think I know something affirmatively about military programs and the history of what we have had, what we have now, and what we need.

All right, let's take our strategic forces right now. Our ballistic missiles are more accurate than those of the Soviet Union. Our ballistic missiles in the covers that they are in, the launch pads they are on, are more survivable than those of the Soviet Union. But the most important fact is we have a ratio, as I recall, of roughly 2 to 1 more warheads than the Soviet Union has.

Now, it is warheads that do the damage if they are called upon to be utilized. So if we are ahead in warheads, I think we have the necessary capability. For what reason? To deter aggression, to maintain the peace, and to protect our national security.

But this is not all of our strategic capability. We have a 3 to 1 ratio over the Soviet Union in strategic bombers—3 to 1—and we are following on the B-52's, which is our current strategic bomber capability, with the B-1, if we can get the

Congress to fund it, if we can get the Congress to give us the money to carry on.

Let's turn to the submarine situation. We have the Polaris, we are moving in—we have the Poseidon, and I have requested additional funding for what is called the Trident, which is a much more capable submarine for ballistic missile purposes.

But now let's take, having mentioned the Navy—I heard somebody or read somebody saying that we were outnumbered in the Navy, and they quoted the figures, as I recall, of 1,100 to 400, something like that. That is an oversimplification. It shows that you are comparing apples with oranges. We have about a 3 to 1 ratio over them in tonnage. Some people try to take numbers and compare a torpedo boat with an aircraft carrier. Now they don't quite relate to one another.

An aircraft carrier that costs a billion dollars and has probably 125 strike aircraft, that has probably a tonnage of 80 million (thousand) tons, is a lot more powerful than some torpedo boat. So, you have to understand what people are comparing. And it is a distortion, it is a misleading statement for people to quote numbers without quoting what the military capability is. And I think it is unfortunate for this country that misleading statements like that are made. It could alarm the American people, it could have an adverse impact on our allies, and it could encourage our enemies. And I think it is very unfortunate.

Q. Mr. President, I would just like to say that we, the American people, feel honored having you as President for your frankness and honesty in bringing the truth to Government—to the American people.

THE PRESIDENT. Thank you.

Q. Mr. President, do you believe we are committing suicide by shackling our information-gathering sources abroad by publishing the names of those people that serve this country abroad in a very important field?

THE PRESIDENT. I think that some of the information that has been given out as to people who represent us abroad is very harmful to our intelligence-gathering capability. I think one of the most tragic incidents was when some, I think, underground newspaper in Greece published the name of a man named Richard Welch. And the net result is Richard Welch was assassinated. I think that is unforgiveable, unconscionable, indefensible. And we cannot get people to work for the United States if we can't give them the assurance that their identity and whatever else is needed is protected. And these publicity seekers in this case, whoever they were—and I don't know—resulted in the murder, the loss of life of a father. I think it is unconscionable.

Q. Mr. President, Vytas Paukstelis from the American Lithuanian community. Over the past years we have been watching détente work. It is our

sincere feeling that it is working one-sided—it is one-sided; that is, it is working largely for the benefit of the Soviet Union. What are we doing to turn this trend around?

THE PRESIDENT. Well, I respectfully disagree with your appraisal that it is harmful and beneficial to the United States. As a matter of fact, I think it has been a two-way street. And from our point of view, I think we have done very well.

Let's take the Helsinki agreement which many people have castigated. The Helsinki Conference was the greatest political liability, propaganda loss to the Soviet Union, period. The net result is that we have forced the Soviet Union and others who signed, that, number one, they have to give far more humane treatment—the getting together of families, the movement of press personnel back and forth across the borders. The Helsinki agreement, for the first time in writing, authorizes peaceful readjustment of borders. The Helsinki agreement, under no circumstances, wrote into a legal document the existing borders. There were 33 nations there, as I recollect, including a representative from His Holiness. And I don't believe that His Holiness would have his representative sign a document that would be, under any circumstances, inhumane. What I am saying is, it was a propaganda liability to the Soviet Union.

Now we are insisting, whether it is in SALT I or in the SALT II negotiations, that it is a two-way street. And as long as I am President, it will be nothing other than a two-way street.

Q. Mr. President, Americans of Ukrainian descent in this country are deeply concerned about the persecution of the Ukrainian intellectuals in political prison in the Soviet Ukraine. Under the interpretation of the Helsinki Conference, or for purely humanitarian reasons, what can our Government do to help them to get freed?

THE PRESIDENT. The first thing you can do, if you would, give me the names or give somebody on my staff the names——

Q. Valentine Moroz is one of the most prominent——

THE PRESIDENT. Yes, I have heard of that.

Q. Vyacheslav Chornovil and Vasyl Romaniuk—and they suffer inhumane treatment for the crime of no more than writing three novels. Now, does the Helsinki Conference guarantee their right of speech for free expression or religious feeling?

THE PRESIDENT. It does not involve that particular aspect. It does involve the reuniting of families. It does involve some of the other humane things, but it does not seek to interpret or to change local laws in that sense.

But let me give you an example. Remember this Lithuanian, Kudirka, who tried to escape from a Soviet fishing boat and got on board an American Coast Guard vessel and then was put back? This was before I was in the White House. I want you to know—and I saw him—where did we see Kudirka the other day? Some place in the last month or two I saw him, and he was very grateful because he knows through my personal intercession he got back here and is in the United States.

Q. What can our Government do from a humanitarian point of view to intercede on their behalf, sir?

THE PRESIDENT. Well, if you will give me the names, we will undertake it.

Q. Sir, I wrote you a letter and I delivered it to Mr. Kuropas.[2]

THE PRESIDENT. All right, fine.

Q. Mr. President, I am a Serbian Orthodox priest from Cudahy. I am a Yugoslavian immigrant and also a citizen of the United States. I would like to inform you that in our Orthodox Church services, we always pray for you and for your health, so I guess I deserve to ask you a question. [*Laughter*]

THE PRESIDENT. If I don't answer it right, will you still pray for me? [*Laughter*]

Q. Mr. President, I cannot change our books. That's in our rites. [*Laughter*]

Last December, my brother, who was the mechanical engineer and doctor of engineering—he was the professor at the university—he was killed in Tito's jail. And I read this morning's newspaper that he said that they are sentencing those people who are pro-Soviets—he does not have anything to do with the pro-Soviet regime. His father is—my brother from my father's brother—that's my cousin. He does not have anything to do with Soviet. His father was the (inaudible). He fought against communism. He invented three inventions over there, and they didn't recognize them. So, he fought against communism, and they put him in jail. And at 9 today, in jail, he was killed. So, you can expect me to ask you a question, to give you information on this.

I came to this country 13 years ago, and I am proud to live in this country. And I am grateful that you invited ethnic groups to discuss this. I would like to say this: I lived in Yugoslavia for 22 years, and I know that Yugoslavia is not independent; she is still an enemy of the United States. And financial aid which the United States Government sends to Yugoslavia is not used for the people, but for their leaders and rulers to prolong their regime and to enjoy American dollars that might be available.

The Yugoslav Government sent a field hospital to North Vietnam while still

[2] Myron B. Kuropas, Special Assistant to the President for Ethnic Affairs.

the United States was fighting in North Vietnam. The same money which the United States gave them, they bought a field hospital to send to help North Vietnam Communists, against this country.

Secondly, I do not think that visits to Yugoslavia helped the people in Yugoslavia, because that helps the Communist government to kill traits of freedom which those freedom lovers still have in their hearts. That helps the Communist government to survive longer. And I would appreciate if you would consider that in your next trips which you might plan, or in your next financial aid which you are going to send or not to send to Yugoslavia, because in that way the Americans are helping the Communist government in Yugoslavia to survive. We are helping that regime to survive.

I am grateful to be here. Thank you very much for coming to Milwaukee and visiting us ethnic groups. I will still pray for you. [*Laughter*]

THE PRESIDENT. Well, thank you very much.

I think we all recognize that in those Communist-dominated countries in Eastern Europe, there is far from the kind of freedom that we enjoy in this country. On the other hand, I think we have to recognize in the case of Yugoslavia, back in about 1950 or 1951, there was a distinct break—was it 1948?—from Stalin's Soviet Union. That was the first breach in the solid European-Asian Communist hierarchy.

In the interim time, there has been that continued attempt to get more independence from the domination of the Soviet Union. And in more recent years, we have had Romania move to a more independent status. There are indications that several of the other Eastern European countries, to the degree that they can—and you know probably better than I, in some of those countries it is very difficult for a government to adopt a total independence from the Soviet Union.

It is a slow process, but from our point of view, as people interested in human beings, interested in freedom, interested in national independence, I think we have to keep pressure on and help in any way we can. And I can assure you that as far as I am concerned, we will do so.

Q. Mr. President, I am Paul Anton with the American Greeks. The question I have is: We, the Greeks, are concerned about the $1 billion military aid to Turkey. Turkey is starting war already with Greece. What do you suggest in that situation? Even though the American bases would be strictly under Turkish control, we are still going to give $1 billion aid to Turkey.

THE PRESIDENT. The gentleman refers to the negotiated military treaty with

Turkey, which was concluded several weeks ago, subject now, of course, to Senate confirmation.

There are several involved questions here, but let me take the first one of just the treaty. The United States has, as a part of our NATO contribution, a very significant U.S. military operation in Turkey. I can't recall precisely how many U.S. Army, Air Force, and Navy personnel are stationed in Turkey. We have, as I recall, some 10 fairly sizable, very important military bases in Turkey, including three to five extremely important intelligence-gathering stations where we use the most sophisticated hardware for the gathering of intelligence relating to the Soviet Union.

Now, all of those people, all of those bases are on Turkish soil. I think we have to expect to pay them something. Now, that is why the agreement was reached.

But let's now turn to Greece. We are right in the same kind of a negotiation with Greece, because the United States, as a part of our NATO contribution, also has U.S. military personnel in Greece, and we have U.S. military bases in Greece. I think as soon as the negotiators can conclude it, we will probably have a U.S.-Greek treaty of somewhat the same kind.

The United States, as a partner in NATO, has to make a contribution when we put our people on their soil with our military hardware. In both Greece as well as in Turkey, we are using their soil, using their country for our mutual defense.

Now, the other question I think you probably are asking is, what about Cyprus? A quick review of the history.

As you know, in July of 1974, the then Greek Government tried to throw Makarios out, assassinate him, and put a man named Sampson in. They were unsuccessful. They did not achieve the assassination of Makarios, and they were not successful in getting Sampson in.

Then, the Turks reacted and sent in up to 40,000 Turkish military personnel. Since August of 1974, we have had this stalemate on Cyprus, and I think it is unfortunate. I think it is tragic because you have somewhere between 200,000 and 300,000 Greek-Cypriot refugees, and I think that is one of the saddest things in current history.

We are working very hard to try and get Clerides, the Greek-Cypriot negotiator, and Denktash, the Turkish-Cypriot negotiator, to settle this tragic situation. They have made headway; they are making progress. And if we can be a little more patient, I think we will get a settlement between the Greeks and the Turks, between Denktash and Clerides, and that tragedy will be over.

We are doing our utmost. As you know, it is a longstanding rivalry between

Greece and Turkey over Cyprus as well as other matters—the Aegean Sea. I can just say we are trying to be fair, to get a settlement of Cyprus and, if we do, we will strengthen NATO. And if we get these two treaties—one for Greece, one for Turkey—it will improve our capability to help in that end of the Mediterranean.

Q. Mr. President, I would have many questions, but I would like to fulfill one question of my daughter. She told me if I have a chance, to wish you health as President of the United States.

THE PRESIDENT. Thank you very, very much, sir. Give her my very best, please.

Q. Mr. President, about a day ago or so, we listened on the television. Your opponent was speaking. I think one of the points that he was underlining was that it was a kind of a general decline in the moral—I am not speaking about the hardware—it was kind of a moral defeat on the part of the United States.

The same echo—it was echoed also by Alexander Solzhenitsyn—one is kind of a native American speaking, and the other is one who has come from the Soviet Union, and he emphasized the same thing.

Would you reassure us—and I am sure that you feel the same as I do feel—that your administration is doing the best to kind of dispel this kind of a belief? Would you tell us something about this? We are doing the best to kind of keep not only the military strength but also the moral leadership.

THE PRESIDENT. It is my very strong, personal belief that this administration, represented by me and by the others who hold positions of great responsibility, approach every problem from a moral position plus an equitable position. I don't think you can achieve an equitable settlement unless you have a moral position to begin with, and so what we are trying to do—and whenever we negotiate—is to adopt what we think is right in our conscience from a position of morality and, at the same time, achieve it without going to war. And I think we are making headway.

We aren't compromising, and we aren't sacrificing. And anybody who says we are does not know the facts. There is no evidence whatsoever that this administration has done anything to step back from a position of morality and good conscience in dealing with any of the Communist countries. As a matter of fact, all of my public life, I entered as a person who believed in helping our friends around the world trying to stand up for freedom on this side and the other side of the Iron Curtain.

One of the amusing things is, really, that in the 25-plus years I was in the Congress, I was known as the biggest military hawk in the Republican Party or Democratic Party. I mean, that's a fact. So you aren't going to have to worry about any retreat on my part from either moral or equitable or military position.

Q. Mr. President, I have been asked to thank you on behalf of all these ethnic leaders, and I think they all recognize that you are the best friend that ethnic Americans have ever had in the White House.

THE PRESIDENT. Thank you. Thank you very much. I have really enjoyed it. I will have to go out and swim or walk or something.

I want to thank the wonderful hosts here as well as all of you, for one of the most delightful luncheons. It is a great privilege and a great pleasure to see you all.

Thank you.

NOTE: The President spoke at 12:55 p.m. at Mader's Restaurant in Milwaukee, Wis.

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Remarks and a Question-and-Answer Session in Milwaukee at an Economic Forum of the Wisconsin Association of Manufacturers and Commerce. *April 2, 1976*

Thank you very, very much, Orville, Paul Hassett, Congressman Bill Steiger, Governor Warren Knowles, distinguished guests, members of the Wisconsin Association of Manufacturers and Commerce:

It is really a great privilege and pleasure for me to have the opportunity of meeting with this group this afternoon, an organization that has contributed significantly not just to the well-being of your own State but to the well-being and the prosperity of the United States and 215 million Americans.

Let me take this opportunity to say how much it saddened me last week to hear of the death of Wisconsin's distinguished ex-Governor Walter J. Kohler. I knew Walter Kohler. He was a man who worked hard, achieved much both in public service and private enterprise. And I know from my experiences with him he set a high example for all of us.

I look forward to answering the questions that I know you have, and I will be delighted to respond as long as you can put up with my answers.

But let me talk for a minute about some good news that I received this morning as I flew out from Washington, D.C., to Milwaukee. We have had some good news on the economic front for the last 5 to 6 weeks. This morning the Department of Labor announced at 10 a.m., Washington time, that we had another drop in the unemployment figures. The unemployment—7.5—I think it is well

to contrast it with what it was last spring, 8.9 percent. But perhaps the most significant fact given out by the Bureau of Labor Statistics this morning was that we now have, or did have in the month of March, 86,700,000 people gainfully employed, the most ever employed in the United States in the history of this country.

In the month of March, comparing it with the month of February, there was a gain of 375,000, and if you go back and compare the employment figure with last spring to the present report given out this morning, we have regained 2,600,000 jobs in a period of roughly 12 months. By any standard, as I see it, that is real progress in what we all want: a job for everybody who wants to work.

But in addition, last week we saw the fourth consecutive monthly increase in our index of leading economic indicators. The statistics show that our economy is well on its way to a full recovery, and we are going to keep it moving that way. And here is how I see the good news from the perspective of the Oval Office. I think the story behind those statistics is every bit as encouraging as the figures themselves. It is a story of a strong revival in America's confidence. Not only are things getting better, the American people know things are getting better, and they are acting on that knowledge.

The statistics say real income is rising. To American consumers that means they have gotten off the treadmill of inflation and are making real progress. The figures say that unemployment and layoff rates are down—way down. To American workers that means that instead of having to worry about tomorrow, they can look forward to it.

The figures say retail sales, housing starts, automobile sales, and new orders received by manufacturers are up. To American businessmen like yourselves, that means new businesses can be started and current businesses expanded and improved.

The statistics are good, but the United States of America is not composed of statistics. It is composed of people. When those people feel good about where they are going, as they do now, then this country is clearly headed in the right direction. The American people are showing their faith and their confidence in sound, steady, long term policies that we have proposed and we have followed for the last 19 months. We are going to keep up these realistic policies for a healthy noninflationary economy.

We are not going to be thrown off the track. We had a good many efforts in the last 19 months to divert us, to roadblock us, to sidetrack us. We were able to prevail in most cases, and I can assure you, as we now see the light of day, the

sky is getting clearer every day. We are going to keep that same steady, constructive, firm course in the months ahead.

We did, of course, hold off the onslaughts in many cases, not all, of the big spenders in the Congress. As Orville said a few moments ago in introducing me, I vetoed a good many bills in the last 19 months—46 to be exact, Orville. [*Laughter*] We keep a scorecard down there in the Oval Office, and it looks pretty good because the Congress sustained 39 of them. And the net result is that the taxpayers of this country, with those vetoes and that action by the Congress in sustaining them, saved $13 billion, and that is a lot of money.

But our fight to hold down Federal spending has been coupled with major tax cuts—put more money back into the hands of the American consumer—and the administration has taken other steps aimed at encouraging the business investment that will be so vital to a sound and future economic prosperity.

In addition to substantial personal income tax reductions, I have urged that the Congress lower the corporate tax rate from 48 to 46 percent. I have also urged the phasing out of double taxation of dividends, broadening stock ownership, and easing the burden of estate taxes on small businesses and small farms.

One issue that especially concerns me is the excessive Federal paperwork required of the American people and the American business community.

On March 1, I sent a letter to the heads of all Federal agencies and all departments directing them to reduce the number of reports which collect information from the public at large by at least 10 percent by July 1 of this year. I told them that I fully expected prompt results, and I think we will get it.

I am happy to report that even before I sent the letter, after I had announced in the Cabinet meeting, we have already received a net reduction in this area of 108 Federal forms. That is not a lot, but that is the beginning of a process that is going to continue, and we are going to get results. I think what we need is productivity, not paperwork, in the Federal Government.

Next Thursday, I will be meeting with the heads of the independent regulatory agencies, and I am going to ask them for their cooperation as well.

In addition to reducing paperwork, we are going to keep on working to lighten the burden of Federal regulation and to make sure that all of the rules are applied equitably and uniformly. Regulation is meant to be in the public interest, but hamstringing business, tying it up in knots of redtape has never been in the interest of the American public and never will be.

We are going to do everything we possibly can, that we can possibly do in anyway whatsoever, so that we can keep America's great free enterprise system

strong and healthy. We are off to a good start in 1976, and we are going to keep up the pace.

Thank you very much. Now, I will be glad to answer any questions.

QUESTIONS

AMERICAN SHOE INDUSTRY

[1.] Q. Mr. President, there are many thousands of people in this State and also in the Nation, of course, who are dependent for their livelihood on a viable shoe manufacturing industry. And naturally, we were delighted with the recent unanimous findings of the International Trade Commission to the effect that our industry has indeed been deeply injured by a 43-percent penetration of imported footwear.

Would you be willing, sir, to share with us a glimpse of what your official reaction and response to this finding will be?

THE PRESIDENT. I appreciate your bringing this to the attention of this group. It is a very important decision.

The International Trade Commission has made its initial recommendations or findings. It is now being studied, and I have a period of time whereby between their decision and my decision to analyze the recommendations made by the Trade Policy Committee.

I think it would be premature for me to give any decision here on that very important item. It is controversial as you know. It is controversial because some of the consumer groups are alleging that if we take one course of action, prices of shoes will go up.

It is controversial, on the other hand, because of the injury to the shoe manufacturing industry here in the United States. It is also controversial because several of the foreign countries that would be hurt the most if we impose either quotas or any one of the other remedies, our trade with them would suffer, and of course you know it is Spain, it is Italy, it is Brazil.

All I can say at this point is the recommendations I expect to come to me within the next several days from the Trade Policy Commission [Committee], and I will make the decision as promptly as I can. It is not going to be easy, but we faced some tough ones in the past and we will do our best in the future.

Q. Thank you, kindly.

FEDERAL AID TO EDUCATION

[2.] Q. Mr. President, my interest is in career education and Federal funding for schools. The trend is towards funds going to the State and then being divided up or allocated to the schools. Is there any chance that part of these funds, instead of going through the States, can be funded directly with special school projects that are having a problem getting around to State headquarters?

THE PRESIDENT. Are you talking about elementary and secondary, or higher education?

Q. Vocational, sir.

THE PRESIDENT. Vocational?

Q. Yes, sir.

THE PRESIDENT. Well, vocational education, I found, is handled differently in all 50 States. There are some States where they now have the procedure in the individual State where the State handles the Federal and State money, and it is allocated directly after that from that level. In other cases, the Federal Government, in effect, goes directly to the community. There is apparently a wide division of opinion in the professional area of vocational training and education. It is not uniform in the United States.

Here is the practical problem we face. I happen to believe that the best way for the Federal education funds to be handled is to take the Federal money, give it to States or to local communities, and let either the State or the local community make the decision how they want to spend education funds.

In the case of elementary and secondary education, we found that it is no problem to move from the present categorical grant program to a block grant program, because in most if not all States, just plain elementary and secondary education is handled through a State educational director or commissioner or whatever they call him.

And we thought we could do this in vocational education, but we find there is a vast difference in how it is handled. So, we have taken the vocational education program out of the block grant program and are going, at least for the next year, to a continuation of the existing system.

Now, apparently here in Wisconsin, at the local level you have trouble with the people at the State level, so a block grant program to the State would not help you. As I understand your problem, it would compound it.

Just because of this difference, we have decided not to go for a block grant program in this coming fiscal year, and we are going to undertake in-depth studies to see if we cannot find a better way, because what we are really interested

in is getting vocational education to the beneficiary at the local level as efficiently and as effectively as possible.

I can't give you an answer today because of the wide diversity one State to another how they handle it, but it is a matter that we are studying and studying very seriously.

ENERGY CONSERVATION PROGRAMS

[3.] Q. Mr. President, my concern is with the energy crisis we face and why we don't have a stronger program to provide awareness of the problem, conservation of fossil fuels, and develop resources that will supplement them?

THE PRESIDENT. Well, in January of 1975 I submitted an 18-point program to the Congress for what we call energy independence or "Project Independence." The Congress took from January of 1975 until mid-December of 1975 to get anything to me, and they finally sent down to the Oval Office a bill that had some good features—four of the titles or provisions that I recommended—and then a mixed bag in the remainder.

It was not a totally satisfactory bill, but we had had uncertainty in the area of stimulating more production for about a year and the uncertainty was causing even more difficulty.

Now, the bill that I finally signed—and I concede with some reluctance—it ended up over a 40-month period. We will deregulate domestic oil production, and in the process of deregulation, we will at the end of that 40-month period save 3 million barrels per day in consumption, and we will, at the same time, increase 1 million barrels per day in production.

Now, if they had taken my program, we would have been a lot further ahead, but this was sort of halfway between, and it is the best we could get out of the Congress.

Now, one other point that I would like to make. The allegation has been made that, as a result of that legislation, we are drilling for less oil today than we did 2 or 3 years ago. That is inaccurate.

As a matter of fact, in 1975 we had an alltime, all-year high average of 1,660 rigs drilling for domestic oil. That is a matter of record. And in the last month of reports—I guess it must have been February—we were slightly higher. So, even though the legislation is not the best, it has created certainty and we will end up saving 3 million barrels per day in conservation, and we will increase production by 1 million barrels per day.

And in addition, finally, again, after a year, Congress is sending down to me for me to sign next week the removal of the limitations and restrictions on the

Elk Hills, California, oil development, which has been a naval petroleum reserve. And that, once they let me sign it—and I will next week—will give us 300,000 barrels per day in a period of 2 months. So, we are making headway slowly, but it was not satisfactory. I wish it would move faster. But you know, you just can't tell 535 Members of Congress, unfortunately, that they ought to act with promptness and constructive programs. We have a little trouble with them. [*Laughter*]

Go ahead, yes?

Q. What about alternate energy sources? We don't seem to have a very pronounced program in that area.

THE PRESIDENT. Well, I suppose you are referring to coal production. In the last several years we have produced 600 million tons of coal per year. That is less than what we produced at any other time in this country—no, not any other time but less than the previous record.

In the next 10 years we have to increase that about 100 percent. I think we can unless we get some strip mining legislation that will hamper and restrict responsible utilization of surface mines.

In addition, we are increasing our research and development to get a cleaner and a more efficient utilization of coal, which is our greatest natural resource in the energy field. And in addition, in the more exotic fuels, solar energy and geothermal energy, I increased in next year's budget the research and development funds in solar from about $80 million to $120 million—all that they asked for and more, too. But that is not something we are going to get tomorrow. It is probably 3 to 8 years off before we have any really meaningful solar energy program.

Geothermal—it is limited to a great extent by the area in which you can find this source, but we also increased the research and development programs in that area.

And one other area—nuclear power. We now have 55 nuclear powerplants in operation all over the country. I think we are building another 60 at the present time. There was a slowdown a year ago for financial reasons, for rate reasons, for environmental reasons, and just redtape, but I believe that they are safe. As a matter of fact, the figures that I got the other day from the head of the Nuclear Regulatory Agency [Commission] said that there is 1 chance in 5 billion that there will be a person injured as a result of a nuclear powerplant disability. Those are better odds than being hit by a meteor, and they are better odds than being hit by lightning. [*Laughter*]

TEAMSTERS TRUCKING STRIKE

[4.] Q. Mr. President, this is an economic forum, I am told, and the question I have, while it is simple, has considerable economic impact today. Do you intend to invoke the cooling-off period in the Taft-Hartley Act in the present Teamsters strike?

THE PRESIDENT. I intend to anticipate that the negotiations between labor and management will result in a contract, and I received a telephone call last night late from Secretary of Labor Usery who felt that progress had been made. I received a call from him earlier today just before landing here. He was increasingly optimistic, although he said they still had one or two very difficult problems to resolve.

I think it would be harmful as far as the current negotiations for me to say I am going to do this if you don't do that. They are making headway. I am optimistic that they will solve their problems, both as to money and the various other issues, and I don't think it would be constructive for me to indicate what I am going to do, because I think they are going to solve it themselves, which is the best way under the American system.

Q. Mr. President, my question has just been answered. [*Laughter*] I thank you.

REVENUE SHARING PROGRAM

[5.] Q. Mr. President, if the Congress fails to reenact Federal revenue sharing, State and local budgets will really be wrecked, and there will be a likelihood of substantial tax increases on the State or local level. What is the prognosis for a reenactment of revenue sharing prior to December 31?

THE PRESIDENT. I appreciate your bringing up the subject because I think this is one of the most essential pieces of legislation that Congress should have acted on a few months ago. Let me illustrate the magnitude.

Under the present general revenue sharing legislation which was enacted in 1972 and expires December 31, 1976, the State of Wisconsin in toto for the State and local units of government will have received $750 million, roughly, with the State getting one-third and the local units of government getting two-thirds. Now, this law expires December 31, 1976.

A year ago in April I urged the Congress to extend it for a 5¾-year period and asked for a growth factor of $150 million per year. And if the Congress were to enact what I recommended, the State of Wisconsin in that 5¾-year period would get $1 billion, again divided one-third to the State and two-thirds to the local units of government.

And you put your finger right on it, Senator. If that is not enacted by the Congress, the State of Wisconsin will lose a substantial amount of money, and every county, every city, every township—and some money also goes to the Indian tribes here in Wisconsin—will lose what they have been getting for 5 years. And if you look at how States and local units of government have used the money, they have used it for public safety, they have used it for education, they have used it for a wide variety of things.

And if Congress does not act, they will either have to cut the services at the State and local units of government or increase the taxes. And Congress has been negligent. Congress has failed to do what they should have done. I know some people say that this is not a good program. Some people allege that there is too much overhead. Let me tell you how much overhead there is.

In the case of general revenue sharing, it has been distributed roughly at the rate of $5,400 million a year for the last 5-plus years. It costs the Federal Government one-twelfth of 1 percent to handle these transactions to 39 [39,000] local units of government and 50 States. Now, that is not bad overhead. And it does exactly what it is aimed to do, to give money collected under our Federal tax system back to the States and to the local units of government so the decisions are made at the local level. And I think it makes a lot of sense, it has worked well, and if Congress does not extend the existing law, you are going to find either a great loss of services at the State or local level or you are going to have to increase taxes.

So, I urge you to twist the arms and telephone and write your Members of the House and Senate and tell them to get moving, they have had plenty of time to act on it, and the sooner the better.

Let me tell you why. I had 12 mayors from Ohio in the other day, and under their State law a mayor of a city in Ohio has to publish his budget for the next calendar year by July 1. And if Congress has not enacted this by July 1, whatever the city of Dayton or the city of Akron or the city of Cleveland would get, they cannot include it.

So, they either have to reduce services and publish that in their budget, or on the other hand, they will have to say if you want the same services, we are going to have to increase your real estate taxes, your city income tax or city sales tax.

Bill Steiger is a real authority on this because he was a great pusher of it for a good many years, along with Mel Laird and others from Wisconsin.

Well, that is the story, I am sorry I took so long, but, boy, get your people from Wisconsin moving.

WELFARE REFORM

[6.] Q. Mr. President, one of the most serious tax drains that we have got both at the State and Federal level is public assistance. The system is fraught with waste, fraud, and mismanagement. We have done a number of things here in Wisconsin at the legislative level, State level, but there are a lot of things that we cannot do because we are prevented from doing that by Federal health, education and welfare regulations. We all think that we need welfare reform. We realize that this mess was not your doing, you inherited it, but what are you going to do about it in the coming months and coming years as our President?

THE PRESIDENT. Well, let me say that you at the State level in many ways are hamstrung, that we in the executive branch are hamstrung, too, because we have to carry out the laws as they are passed by the Congress. What we have got to do is change the basic law.

In 1972, and again in 1974, I voted for a complete junking of the existing welfare program and voted for what I thought was a great improvement, and it obviously was not perfect. It passed the House twice, it was called the Family Assistance Program—much better than the present system we have.

I think in 1977 we have to come up with a comprehensive reform of existing welfare, something like—although I am not going to embrace it entirely—the Family Assistance Program that was passed by the House in 1971 and '72.

I think there are some areas of improvement in this particular area. But when you take, for example, food stamps—the food stamp cost today to the Federal Government is something over $7 billion a year. Last year I sent up to the Congress a recommendation to tighten it up, to take away from people who have incomes over the poverty level the food stamp participation they were involved in and give more to the people below the poverty level. And in the process we could have knocked off 600,000 people, as I recollect, and could have saved $1,200 million. Congress has not done a thing.

Now, then, they told us in the executive branch to do something, and they took away over a billion dollars and said now you save some money, but didn't give us any additional authority.

Well, we have finally sent some regulations up that were published in the *Federal Register* that will save $1,200 million. I think it is a good approach, but it is only a piecemeal one, because that program is only a part of aid to dependent children—welfare; we have got more welfare programs, when you put them under a broad tent, than you can count. And we have to have a single com-

prehensive program, and I can assure you come January of next year, if I am in the White House we will have one for you.

DEFENSE SPENDING AND THE BUDGET DEFICIT

[7.] Q. Mr. President, my question to you, sir, may have two points to it.

Our deficit for this year will be very heavy. The Government debt is extremely heavy, and as I see it as this moment, Mr. President, this is bound to continue for some 2 or 3 years at least. I think one of the problems in connection with the deficit is, number one, that we have spent a great deal of money for defense spending, and from what you have said before, this is justified under the circumstances.

I am wondering, Mr. President, if the circumstances are such with our country that conditions will improve to the point where the expenditures for defense spending will be greatly lessened, and in that way help curtail the expenditures of our Government in that regard.

May I add one more point, Mr. President? The other point is I heard that the deficit for this fiscal year would be about $50 billion. That sum of $50 billion, Mr. President, is enough money to employ 5 million people at $10,000 a year. I have read your account as you first spoke here tonight, and it is very encouraging to see the improvement in that regard. But these are problems that you inherited, Mr. President, and I am just wondering if, one, you could tell us what the circumstances really are so far as our country is concerned to give us an idea as to whether in the very near future circumstances or conditions will improve, that those expenditures for armaments or defense will be lessened, and secondly, if the current economic situation will be such that our deficits will be decreased?

In other words, Mr. President, I just don't want to see the national debt keep on going and going until it gets to the breaking point.

THE PRESIDENT. Well, let me take the first part of your question. The rate of growth in Federal spending for the last 10 years has been approximately 11 percent per year. And when we were putting together the budget for the next fiscal year beginning October 1, 1976, we found that if we didn't recommend a change in the law, everything stayed as it was, there would be a $50 billion increase in Federal spending just because of the growth factor. It would go from $370 billion up to $423 billion, as I recollect.

I decided that if we were going to get to the root of the problem, we had to cut the growth in Federal spending from 11 percent per year down to 5½ percent per year. So, I recommended a budget for the next fiscal year of $394.5 billion, and I cut a lot of things.

I cut the food stamp program. I ordered no new starts in public works and a whole raft of things.

Now, I think it is a sound budget, but even that budget provides that we will have a deficit of $43 billion. The one major program—major, I say—where we increased, was in defense. Let me take a minute to show you the trends that have been developing here.

Seven or 8 years ago, out of a total pie of Federal spending, the Defense Department got roughly 44 percent of every dollar spent by the Federal Government. The Defense Department got 44 percent, roughly, out of every dollar in taxes that you paid, and domestic programs got roughly 32 to 33 percent.

In the current fiscal year, because of this growth factor primarily in domestic programs and the relative stability of spending for defense, in this fiscal year, out of the total pie, Defense gets 24 percent and domestic programs get over 50. It is just an almost total reversal.

Now, in the budget that I submitted for the next year, we turned the corner. I cut back on domestic programs, and I increased the spending for the Defense Department by 11 percent because we cannot keep squeezing Defense down. Because if that rate of increase in domestic spending and the rate of decrease in defense spending were to go on, in, I think, 25 years you would not have one soldier with one gun.

The defense budget that I recommended this year, the biggest in the history of the United States in dollars, reverses the trend and takes us up to roughly 25 percent in defense spending and the corresponding reduction in domestic spending. I think it is the right decision. It increases readiness today, it increases our capability in the 2 or 3 years ahead, and I add this: If the Congress were to take the budget that I submitted for next fiscal year and the 2-years' projections, we would have a balanced budget in 3 years and we could afford to have a reasonably sizable additional tax reduction.

Q. You just answered my question, Mr. President, in that I was going to ask you, if you were elected would the budget be balanced during your next administration?

THE PRESIDENT. I guarantee that.

Q. You just said 3 years.

THE PRESIDENT. I guarantee that.

DEFENSE BUDGET

[8.] Q. Mr. President, I presently have the privilege of commanding a Naval Reserve unit here in Milwaukee. You touched on my question in answering the

gentleman's question here, but in absolute terms, Mr. President, can we continue with talks of defense budget cuts in the face of military and naval expansion on the part of the Soviet Union and still expect to be number one in the world?

THE PRESIDENT. We have to continue on the trend that I recommended for fiscal year 1977, which is an upturn both in real dollars, in current dollars, and a percentage of our total Federal expenditures. And furthermore, we have to get the Congress to stop slashing the defense budget recommendations.

Over the last 6 years Congress has cut $32 billion out of defense appropriation bills recommended by Presidents, and they cut $7.5 billion out of the one that I submitted to the Congress last year. And we are working very hard to try and keep the Congress from cutting this one, and I think we are making headway.

Now, one comment I would like to make on our defense capability, if I might. There have been questions raised as to whether we are behind. Let me make a very categorical statement: The United States is still the strongest nation in the world. When we take into consideration the fact that we are unsurpassed in military capability, when we take into consideration the fact that we have the greatest industrial capability in the world, when we take into consideration that we produce more on our farms than our people can eat and wear and we have a net balance of trade of $22 billion overseas, when you take into consideration our science and technology capability in America, we are number one and we are going to stay there.

May I add a footnote to that. You are a Navy Reservist, as you indicated, and I spent 4 years in the Navy. You know, 1,000 gunboats don't compare with 14 carriers and a good many naval cruisers and all the other high-powered, fire-power ships that we have. So, we ought to compare apples and apples, not oranges and apples, when we are talking about a naval capability. That is the only honest way to make a comparison. Our Navy is first class and it is going to stay there.

Q. Mr. President, that makes me feel great. Thank you, sir.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

[9.] Q. We are in the retail business, the ski business, among other things.

THE PRESIDENT. Good. Can you get me some that will keep me from falling down? [*Laughter*]

Q. We would like to have you come visit us.

Today, we seem to be getting an awful lot of attention in the media of the abuses of the CIA and the FBI and so on, but we don't get much attention from the abuses that we businessmen, especially small businessmen, get from orga-

nizations like the EEOC and OSHA and some of these others. It is very difficult, especially for a small business, to protect ourselves against this sort of a thing. We don't have the funds for the legal talent it requires. Is there anything that can be done for us?

THE PRESIDENT. The one that has worried me the most, and I know Bill Steiger shares this, is the way that the OSHA law has been implemented. Now, it is not much solace to you, but if the law that originally came out of the Committee on Education and Labor in the House of Representatives had become law, OSHA would have been 10 times the monster that it is in many respects at the present time. Isn't that right, Bill?

But, anyhow, basically the executive branch does—basically, I say—what the law requires. On the other hand, I have to admit—and I have had enough experiences when I was in Congress where I had complaints from people in my district just like you are inferring here—that the people who go in and inspect your plant or inspect your facility have had the wrong attitude. They appear on too many occasions to be prosecutor rather than trying to solve the problem and help the solution.

Now, the new head of the OSHA—I have forgotten his name now but he is a new man and he is given directions by the Secretary of Labor to change the attitude and we will have to wait and see because, if they do it right, they will correct the things that are wrong. If they go in there like they are trying to run your business, you are not going to cooperate and you are going to have nothing but trouble. So unless the law is changed, we have to follow it, but the people who run it have to have a different attitude and, by gosh, we are going to try and get it.

THE PRESIDENT. One more.

Q. Mr. President, you are advocating the removal of economic regulation for the trucking industry. The industry and many of our national organizations are opposed to deregulation, even the Teamsters are opposed to deregulation. Do you see this becoming a political issue and a political question in the months ahead?

THE PRESIDENT. Well, with all respect to the motorcarriers and the Teamsters, I respectfully think you are wrong. [*Laughter*]

I happen to think that—first, I concede that is a tough duet to try and lick, but we honestly felt that the recommendations we have made are not as serious to the industry as a whole as the people you represent think it is. Now, I don't think the Congress is going to pass it, but I think it is a mistake just to say that the existing system is good, because I don't think it is good. I think it can be im-

proved, and I hope that your industry and the Teamsters would work with us because I think we can strengthen your industry, and we can help the economy overall rather than just keeping something because it is that way.

And we find the same thing in the airlines. I am being very frank, you know. The airlines don't want their current situation with CAB changed. They got used to it. They got a lot of lawyers who enjoy it. [*Laughter*] And the net result is we are in the status quo even though the circumstances have changed significantly.

So, just to sit by and accept the status quo I don't think is the way to approach the problem. Now, maybe you have got a better answer, and, if you have, come on up and we will talk to you.

Q. Thank you, Mr. President.

THE PRESIDENT. Thank you.

NOTE: The President spoke at 3:32 p.m. in the Crystal Ballroom at the Marc Plaza Hotel. In his opening remarks, he referred to Orville Mertz, chairman of the board, and Paul Hassett, president of the association, and Gov. Warren P. Knowles of Wisconsin 1964–71, chairman of the Wisconsin President Ford Committee.

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Remarks to President Ford Committee Volunteers in Milwaukee. *April 2, 1976*

LET ME just say a word or two to give you some thoughts if you are doing telephoning or if you are meeting people and trying to be helpful. What we have tried to do in the 19 months that I have been President is to restore a balance in the Federal Government so that you get a better balance between the taxpayers on the one hand and the people who are beneficiaries from taxpayers on another. We have been trying to get a better balance between the role of the Federal Government and the responsibility in the role of the State governments and local units of government.

As Governor Knowles [1] knows, there was a period of time, over a period of some 20 years, when the Federal Government grabbed everything, and the net result was there was a corresponding loss in responsibility and decisionmaking at the State and local level. I have faith in your local government; I have faith in your people that are at the State level—they are certainly a lot more qualified to decide the problems in Wisconsin than somebody sitting on the banks of the Potomac.

[1] Gov. Warren P. Knowles of Wisconsin 1964–71, chairman of the Wisconsin President Ford Committee.

We are all disturbed about the crime problem. I think there has been an overemphasis in the last 10 or 15 years on not being too harsh on the criminal. I believe that we have got to put the emphasis on the rights of the victim. We have got to look after the victims of crime and prevent crime from being undertaken.

And so this balance has to be restored. I think we have to restore better balance between domestic programs on the one hand and what we invest in our national security on the other.

So, we have tried to do this. We have made a lot of headway. We have taken ourselves to a great extent out of the worst recession in 40 years. If we just keep cool, don't succumb to all these quick-fix, panic propositions, we are going to end up with the healthiest, strongest, most equitable economy in the history of the United States.

Then, we have to make absolutely certain and positive that we are unsurpassed militarily, that we maintain our superiority in the productivity of our industry, the productivity of our agriculture, the superiority of our science and technology. When we put it all together, the United States is number one, far ahead of everybody else. And our responsibility, mine and 215 million other Americans, is to maintain that strength so that we can make it easier and better for all of us at home and to protect our national security from outside forces.

We have the strength agriculturally, industrially, commercially, scientifically. But the one thing that is even more important than anything else—I happen to believe as I travel around the world, on occasion traveling one country to another, that the great strength of America is its moral and spiritual leadership. We can't lose it because that is what ties everything together.

Thank you for your help. We are going to work with you, and I can't thank you enough.

NOTE: The President spoke at 5:05 p.m. in the English Room at the Marc Plaza Hotel.

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Statement on Shooting Incident at the Soviet Mission to the United Nations. *April 2, 1976*

I AM deeply disturbed by the gunfiring into the Soviet Mission to the United Nations that took place last night. This is the latest of a series of uncivilized acts carried out by the extremist groups who are acting in a spirit totally contrary to the American tradition. The people of this Nation are repelled by terrorism and demand that it end. It is ironic that those responsible for endangering lives,

threatening children, and harassing women claim to have a concern for human rights. Manifestly, they do not.

I have instructed the Department of Justice to do everything it can in cooperation with the New York authorities to bring to justice those who have committed these vicious acts. I am confident that the New York authorities will cooperate in these efforts to the fullest degree.

NOTE: The statement was released at Milwaukee, Wis.

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Remarks and a Question-and-Answer Session at a Public Forum in West Bend, Wisconsin. *April 2, 1976*

Thank you very, very much, Governor Warren Knowles, Congressman Bill Steiger, my old and very dear friend, your former Congressman from Wisconsin, Mel Laird, Mayor Schoenhaar, Dr. Steinert, students, faculty, and guests of West Bend East Suns and the West Bend West Spartans:

It is a great pleasure to be back in Wisconsin and to visit a school where East meets West right here in the gymnasium.

Let me, first of all, pay my respects to the Suns and the Spartans of West Bend, and especially let me thank the girls' track team for letting us borrow the gymnasium today. I didn't mean to interrupt your practice, girls, but I am trying to get in shape for the big race in November, and I appreciate your cooperation.

The purpose of my visit can be summed up in a very few words. As much as I believe in a strong and prosperous automobile industry, I am here to say that this year there is absolutely no reason to trade in your Ford on another model.

After a few brief introductory remarks, I look forward with a great deal of pleasure to answering your questions. And at the outset, let me congratulate all of you because I have heard from Governor Knowles and Bill Steiger and others of the remarkable recovery in West Bend from the recent ice storms. I understand that things are getting back to normal now, and I commend you for the community spirit that was so important under these most difficult circumstances.

Now, after some rather stormy weather in recent years it is good to see that America is getting back to normal, too. On the economic front, we are steadily

working our way out of the worst recession in 40 years. I won't burden you with a lot of statistics, but I can report to you that all of the economic trends are good. Everything that is supposed to be going up, like the number of jobs in America, real earning for the American workers, sales, investment, industrial production, all of these are on the increase. And everything that is supposed to be going down, like the rate of unemployment, the rate of inflation, the rate of growth in Federal spending, even some prices are going down.

Just 2 days ago it was reported that the Wholesale Price Index has shown virtually no upward movement overall in the last 5 months, and tonight I can say to you with confidence and without any hesitation or reservation we are on the road to a new prosperity in the United States of America, and we are not about to be sidetracked right now.

The best thing about this new prosperity is that it is not based on the shifting sands of political maneuvering and government gimmicks, but on the solid, permanent foundation of the American free enterprise system.

Oh, there was a lot of pressure on me at the beginning of the recession to take some panic action that sounded good but never worked in the past. Some very distinguished economists and some very concerned Members of Congress urged me to impose, for example, wage and price controls on the American economy. Others urged me to propose massive Federal spending as a stimulus to the economy regardless of whether we could really afford that spending or not.

I rejected both of those suggestions and all of the other quick-fix proposals that were wrong medicine for the American economy. The strong economic recovery we are experiencing today has proved me, I think, to be right in rejecting them. And most of you remember the wage and price controls that were imposed back in 1971 and 1972. So much pressure was built up under that wage and price lid that when price controls and wage controls were removed, the economy simply got out of control. The rate of inflation got up to more than 12 percent at one point and that, combined with the oil embargo of 1973, helped trigger the recession we are just recovering from at the present time.

The other proposal was that we spend all kinds of your hard-earned taxpayers' dollars to stimulate the economy and put hundreds of thousands more people back on the Federal payroll. But I know, and I think you know, that you can't solve every problem in the world just by throwing a lot of money at it, and I was determined not to risk a new round of double-digit inflation as the cure for the recession.

As Warren Knowles indicated, over the last 19 months I have vetoed 46 bills sent to me by the Congress, and they tell me that is some kind of a record,

and if it is, I'm darn proud of it. But the really important record is this—We were able to sustain, with the help and assistance of at least one-third of the Members of either the House or the Senate, 39 of those vetoes. And without threatening or weakening our economy in any way whatsoever, those vetoes will save the taxpayers of this country $13 billion, and that's a lot of dough.

Commonsense told me that the right course to pursue toward economic recovery was to stimulate the growth and the strength of the private sector. So I proposed, and the Congress accepted, a major tax cut for individuals to increase their own personal purchasing power. I proposed tax incentives for business expansion and job production in the private sector, where there are five out of every six jobs today, where people work and earn a living. And I proposed extended assistance to those Americans who had lost their jobs to the recession to help them with the onerous burden until our national economy was revived and its strength recovered.

These were commonsense policies and they worked. Last month it was reported that all of the jobs America had lost during the recession had been recovered. And just this morning we got some tremendous news. It was announced in Washington by the Department of Labor, the Bureau of Labor Statistics, that we gained 375,000 more jobs in the month of March alone. Today, 86,700,000 Americans are gainfully employed, the most employed in the United States in the history of this country, and I would say that is a pretty good comeback from the problems we had 12 months ago.

The evidence is unmistakable. These economic indicators are not political fiction, they are hard economic facts. The prospects of prosperity apparently didn't fit into some politician's plans this year—but that is just too bad. As prophets of gloom sort of rubbing their hands in glee, they can deny the evidence all they want to, but you and I are happy to see America back on the road to prosperity, and those other fellows had better just make some other plans for the next 4 years.

The success of these economic policies proved once again that it does not take a huge government bureaucracy to solve every problem in America. In fact, piling one bureaucracy on another has been the source of many of the problems that we have been experiencing in recent years in this country. We must never forget one very fundamental truth: A government big enough to give us everything we want is a government big enough to take from us everything we have.

To help guard against the danger of ever-increasing control by the Federal Government, I have proposed a 5-year 9-month extension of general revenue

sharing that has worked so well for the past 4 years. And if I might just pay tribute to one of your former Congressmen, a former Secretary of Defense, who was really the inspirator and the prime promoter of general revenue sharing—Mel Laird.

If there is one thing the government is good at, it is collecting taxes, as you will all learn again in about 13 days. If there is one thing the Federal Government is terrible at, it is trying to decide the best solution to a local problem. That responsibility clearly should rest with your own local officials, like Mayor Schoenhaar and those others. So, the concept of general revenue sharing is to let the Federal Government collect the money and then give it back to local and State governments to spend it as they see fit under that very watchful eye of every one of you right here in West Bend in Washington County. You can watch them better here than you can back in Washington, D.C.

You know, general revenue sharing is kind of a hometown, do-it-yourself project, and in the last 4 years West Bend and Washington County and the State of Wisconsin have proven that you can do it yourself a heck of a lot better than the Federal Government can, and I congratulate you for it.

Under my proposal for the extension of the existing law, which expires on December 31 of this year, West Bend would get more than $2.1 million. Washington County, including West Bend, would get $8 million, and the entire State of Wisconsin would get more than $1 billion over the next 5¾ years.

But the most interesting fact out of the whole program, outside of the money that comes here to West Bend and Washington County and the State of Wisconsin, I think you will be interested to know that the total cost of the Federal Government's participation in the revenue sharing program is only twelve-hundredths of 1 percent of all of the money in the program, or to say it another way, that is one-eighth of 1 penny of every dollar spent on the program. That is pretty low overhead by any standards.

That is what I call holding bureaucracy to the minimum, and I intend to see that that trend is encouraged in other Federal programs in the next 4 years. Some people in the election year have been suggesting we ought to dump $90 billion worth of Federal programs on the laps of State and local officials to cope with it as they can, even if it means raising local taxes or eliminating local programs. Well, we have not heard much about the $90 billion figure lately, but we have not heard either that the proposal has been abandoned.

All of us know that there are some very, very legitimate activities that government must be involved in—national defense, social security, law enforcement

in the administration of justice, just to name a few. The important thing is that government should do what it has to do better, more effectively, more efficiently than it has been doing in the past. But as I told some of your neighbors over in La Crosse last weekend—we must make sure that government is always the servant, never the master of the American people.

The pages of history tell us that our people have made tremendous progress in the last 200 years, no other nation can match us in the combined economic, agricultural, technological, military, and more importantly, moral strength of the United States of America. We are number one in the world, and we are going to keep it that way in the years ahead.

Yes, I think we have made substantial progress going through a period of trauma, difficulty, trial, and tragedy. Yes, but the strength of the American people, the strength of the government that we have, has proven, I think, not only to us but all the world that America is strong and is going to keep strong. But there is more to be done, and that is why I am asking for your support next Tuesday, next November, and in the challenging years ahead.

Thank you very, very much.

Now, let's have the questions—the best part of the program.

Questions

GUN CONTROL

[1.] Q. Good evening, sir.

The President. Good evening, how are you?

Q. Doing fine, thank you.

You were touching most of the subject on taxes and such, but I wanted to go off into another subject on gun control. Were you for it, against it—what are your stands on that?

The President. I have long been an adamant opponent of the registration of guns or the registration of gunowners, period. Let me add, if I might, one or two sentences to that. I believe that we should pass legislation to make mandatory certain penalties for those individuals who commit a crime in the possession of a gun, period. And I also happen to believe that we should, in those areas of heavy crime, where we know, from the records that the so-called "Saturday Night Specials," the cheap handguns, are used in great numbers to commit a crime, to commit murder, then we ought to beef up the law enforcement people in those areas to try and stop that kind of attack against our society.

ABORTION

[2.] Q. Mr. President, you expressed some concern that the Supreme Court went too far in its decision legalizing abortion and allowing abortion on demand, for any reason, on the mother. Yet, you have been reluctant to support a human life—or to call for a human life amendment. Mr. Ford, does it not concern you that over a million human beings are killed each year in the United States by abortion?

THE PRESIDENT. The facts are that I do think that the Supreme Court decision went much too far. I also happen to believe that all or most of the amendments that I have seen introduced in either the House or the Senate likewise are too inflexible and also go too far. And furthermore, as I am sure that others who are familiar with the legislative process know, as a practical matter you won't get two-thirds of the Members of the House of Representatives and 75 percent of the States to pass it anyhow.

But the more important point—and this is the point that I make—I think we can get reasonable remedies in this area that reflect the moral conviction of the individual, that protect the mother in case of rape, in case of any health problem. In my judgment, there is an area between the two extremes that will protect a good share of those that you are talking about—the 1 million. I don't think you can get it by a constitutional amendment, and I think the Supreme Court went too far. But, in my judgment, this is a very personal moral decision, and I think working in the legislative way and working with the Court we can come up with a better solution than the one we have at the present time.

TAFT-HARTLEY ACT

[3.] Q. Mr. President, I am concerned about the economic stranglehold labor union bosses now have on large segments of the working population. While it is not adequate by any means, it does seem to me the Taft-Hartley law is the last bulwark or buffer preserving the job-related liberties of the individual worker.

I would like to extend my congratulations and sincere appreciation for your veto of the common situs picketing bill and ask the following question: Exactly, what is your position concerning future attempts by the union power structure to destroy or further weaken the Taft-Hartley law?

THE PRESIDENT. In 1949 or 1950, I voted against an attempt to repeal or weaken the Taft-Hartley Act, and my attitude today is precisely the same. I believe in the Taft-Hartley Act. I would not vote to weaken it or to rescind it.

RELAXATION OF TENSIONS IN THE WORLD

[4.] Q. Mr. President, I would like to ask you what your stand on détente is and why?

THE PRESIDENT. Well, as I think most of you know, we are not using that word any more—[*laughter*]—but I think that is immaterial. I am really concerned about the results from our negotiating with any power.

The point that has to be understood is that two, for example, super powers have to negotiate at arm's length, and we, being one, have to be absolutely certain and positive that in the process of trying to ease tensions, to relax tension, so we don't fall into a nuclear holocaust with the world turned into ashes, that we don't weaken ourselves. And in the process of trying to negotiate responsible positions, where we don't give up more than we get—and this is the attitude—we also must protect our national interest.

We don't want to go back to the cold war where everybody sat with a happy finger on the trigger of a nuclear capability. We want to reduce those tensions. We want to reduce our nuclear capability in a mutual sense so that the possibilities for a nuclear holocaust are less and less and less, but we have to do it in a responsible, constructive, mutual way.

It does not do us any good to have 10 times more power than we have today, which would blow up the Earth 20 times. We have to negotiate from strength to get a mutual advantage for the safety of our country and the protection of mankind throughout the globe. And that is what we mean by negotiating from strength.

SOCIAL SECURITY PROGRAM

[5.] Q. Mr. President, we are very honored to have you here tonight, sir. In nearby West Bend, at the Cedar Lake Home, many of the residents have asked me to find out your views on the elderly.

THE PRESIDENT. I am a firm believer in the social security program. I believe that it has not only helped immensely those who retire at 62 or 65 but I think it has also been of great help and benefit when the husband, for example, dies at 40 and there are survivorship benefits.

I think there are other great advantages such as the disability portion of social security. I think we must be certain and positive that the retirement benefits and the other benefits that come from the social security program are made certain, and this is where the problem arises.

At the present time, in this 12-month period, there will be $3.5 billion more

money going out of the Social Security Trust Fund than comes in. Next year it will be $4 billion more out than comes in. At the present time, we have roughly $40 billion in the Social Security Trust Fund. By the early 1980's there won't be any money in the Social Security Trust Fund unless we do something to protect its economic stability.

I took a hard bite at the bullet and came up with a proposal that I think will protect the integrity of the financial security of the Social Security Trust Fund. Unfortunately, the Congress wants to postpone it a little while longer. The longer they postpone it, the harder it will get to solve the problem. But as far as this President is concerned, he is going to face up to that issue as he has faced up to every other issue, and I am not going to kid you one bit. We are going to protect the financial integrity and security of that trust fund for the benefit of our older citizens.

TAX REFORM

[6.] Q. Good evening, Mr. President.

THE PRESIDENT. Good evening.

Q. I am really pleased to have the opportunity to ask this question at long last to a person who can really answer it.

THE PRESIDENT. I hope you are right. [*Laughter*]

Q. For years I have wondered why the Federal Government cannot do anything about instigating a real, true, and just program of tax reform. By that, I do not mean giving more deductions to those that already have them. I am sick and tired of reading where 200 people—millionaires—pay no taxes, where our Vice President pays no taxes. Tell me, do you believe we can have tax reform for the average citizen?

THE PRESIDENT. Let me answer it in two ways: Number one, last year I recommended a $28 billion tax reduction with 75 percent of it going to individuals and 25 percent of it going to businesses to stimulate jobs and increase productive efficiency. In the 75 percent of the tax reduction bill that I proposed to the Congress for the benefit of individuals, what we tried to do in the restructuring of rates was to give some overdue relief to the middle-income people who have taken a beating in the last 10 years under our tax schedules.

Unfortunately, the Congress went along in part, not in whole. There was a tax reduction program but, in my opinion, it was tilted the wrong way.

But now let me give a second response. I don't mean to be partisan, but I want the record to be clear, and I don't know whether you are a Democrat or a

Republican, but I will tell you this: I have heard in the 27 years since I have been in Congress, tax reform—that has been an old song that has been sung and sung and sung, and Mel Laird and Bill Steiger have heard it a long time along with me. The party in power in the Congress of the United States has the responsibility, and the Democratic Party has controlled the Congress 38 out of 42 years, and they have not passed a bona fide tax reform bill. If they want a majority, doggone it, they ought to perform. That is all I am saying.

EMPLOYMENT OPPORTUNITIES IN AGRICULTURE

[7.] Q. Mr. President, I am current vice president, and I am also planning on running for president next year of the West Bend High School's FFA [Future Farmers of America]. My question is that with many of the problems being faced today by younger people in securing jobs, I was wondering what you see as the future for them in securing a job in an agriculture field?

THE PRESIDENT. Well, I have been encouraged from the reports that I get from the Department of Agriculture that more young people today are going to our agricultural universities and colleges than at any time in the history of the United States. There must be a lot of young people who have faith in agriculture as an occupation, and I think that faith is justified, and let me tell you why.

We now have 215 million Americans in this country. As we look around the world the population is burgeoning—it is really exploding. The demand for food is going to get greater and greater and greater because we have more people, and countries and people are getting more affluent.

So, there is going to be a guaranteed market for agricultural products from the United States, and as long as that market exists, if you are able and willing to work, I think the occupation of a farmer is a great prospect for young people, and I would urge you and others to get into it.

Did you have another question?

PRESENTATION OF FUTURE FARMERS OF AMERICA PLAQUE

[8.] Q. Yes. I also have a presentation to make to you. At our last meeting—and we just had one this last week—the members voted unanimously to elect you as an honorary member of our chapter, and I would like to present you with this plaque. Please accept this with the compliments of our chapter.

THE PRESIDENT. Thank you very, very much.

Q. You are welcome, Mr. President.

THE PRESIDENT. I had an opportunity about a year and a half ago to speak

to the Future Farmers' National Convention out in Kansas City, and also had an opportunity a few months ago to meet the leaders of each State of the Future Farmers and, believe me, they are impressive as members and they were certainly impressive as officers of the respective States.

Congratulations, and thank you very much.

Q. Thank you very much, Mr. President.

RONALD REAGAN'S COMMENTS ABOUT SECRETARY OF STATE KISSINGER

[9.] Q. Good evening, Mr. President. I would like to know about what Ronald Reagan stated Wednesday night. He said that Kissinger stated that he is in office to keep the United States in second place and Russia first. I would like to know what you think and what you plan to do about this?

THE PRESIDENT. Well, in the first place, Secretary of State Kissinger said that never was stated by him, and I understand that this afternoon that former Governor Reagan said that he had not seen the quote but he had heard sombody who had heard it from somebody else as an alleged quote from Dr. Kissinger. Now, that is not a very credible way to quote somebody. It just, in my opinion, was careless, irresponsible work in writing a speech that was to be made to a good many millions of Americans. If you are going to quote somebody you ought to have the facts, and in this case they didn't.

DECISIONMAKING IN "MAYAGUEZ" INCIDENT

[10.] Q. Good evening, Mr. President. I would like to know what you think has been your most important decision as President and why?

THE PRESIDENT. Well, there were several. It seems some days like that is all it is all day long. I would say that probably the one that took the most forceful action was the decision to make certain that the *Mayaguez,* the merchant ship, was recovered from the Cambodians. That was probably one of the most meaningful decisions because that ship was attacked, it was seized by the Cambodians, and we sent in our forces to get it back, and we got it back. That was a tough decision.

BEEF PRODUCTION INDUSTRY; ESTATE TAX EXEMPTIONS

[11.] Q. Mr. President, I would like to ask you after hearing you encourage these young boys to go into agriculture—my husband and I have a beef farm and after struggling for 10 years we still have a hard time making ends meet. You just mentioned that prices are coming down. Well, it seems to me that the only thing that comes down is the beef price. We get about the same price we got 10 years

ago, and everything we buy is so high. I would like to know why it always seems everything is done for dairy farmers and so forth, and there is no parity on beef and we hear very little about the beef farmers' plight.

THE PRESIDENT. I would agree with you that the beef production industry is one of a few aspects of agriculture that has no government program as such. But as I remember, over the years the Cattlemen's Association and the various organizations that represent the beef producing industry always wanted Uncle Sam to keep his hands off of the cattle business, and when you do that you are bound to have some fluctuation.

I met several days ago with the Secretary of Agriculture in his new Agricultural Advisory Group that I have established to give me the input on decision-making for all agricultural decisions, and I asked about beef prices, I asked about hog prices. And it is his judgment and the judgment of the experts—and there is some evidence to show it now, not enough but some—that beef prices are on the way up, and in the period of 3 to 4 months you are going to see a quite different situation from what it is today. And I certainly hope so because I agree with you that beef prices today are too low, they are below parity if there was a program. But from all the signs that the experts can put together, the beef business is going to be a lot better in about 3 months.

Q. Okay. Thank you. Then I will hold my steers 3 more months, and if the price does not go up, you are going to hear from me.

THE PRESIDENT. Let me add a couple of things that relate particularly to the beef business. You know, a year or two ago a number of people sold their beef to some of the stockyards or to some of the processors, and in one or two instances they went broke, and the people who had sold their beef took a licking. Now that is not fair. Legislation has been approved, and I support it. I think this is a way in which we can protect the producers of beef against the bankruptcy of the beef processors, and this should be helpful. I think it is desirable legislation.

One other answer in response to the young man is, you know, we recommended about 3 weeks ago new legislation in the tax field that would permit a family farm to go from one generation to another, and we recommended two procedures or two provisions to take care of this. One, to increase the exemption from $60,000 to $150,000, and, secondly, to extend the payment of any estate tax liability over a 25-year period with a 5-year moratorium, and the interest that would be paid, if any, would be 4 percent.

So, we want to keep the family farm in the hands of one family, and this way I think we can help passing it on from one generation to another. And if the Congress will pass it, it will be a great step forward.

THE PRESIDENT'S TRAVEL ITINERARY

[12.] Q. Mr. President, I am a student here at West Bend High School. It was reported in our local newspaper tonight that you play a big part in deciding where your itinerary goes. I was just wondering—and I bet a lot of other people were, too—why you decided to come to West Bend tonight?

THE PRESIDENT. Well, I had heard so much about all the nice people here I just decided I wanted to come to West Bend. As a matter of fact, we go to the Congressmen, we go to the people like Governor Knowles, and they give us recommendations. But in all honesty, I had heard that West Bend had many similarities to some of the communities and the kind of people that I represented over in Michigan. I thought they were great people, and, in all honesty, I did want to come here to this kind of a community.

REASONS FOR WANTING TO BE PRESIDENT

[13.] Q. I live here in West Bend. I am going to ask a simple question, and I hope I get a simple answer. [*Laughter*] I was wondering why you want to run to be the President this year?

THE PRESIDENT. I will try to make it simple. [*Laughter*] When I became President in August of 1974 this country was having very serious problems. There was great distrust of government, and we were on the brink of a recession. We were having 12 to 14 percent inflation. Our allies around the world were uncertain as to what the United States would do. Our adversaries were in a position where they might have taken advantage of us. We have had 19 to 20 months of tough problems. I think we have made a lot of headway but the job isn't done. And I would like 4 more years to finish the job and turn it over to my successor in better shape than it is and a lot better shape than it was August 8, 1974.

ESTATE TAX EXEMPTION INCREASE

[14.] Q. Mr. President, I am from Belgium, Wisconsin, and I would like to know what kind of relief, if any, you have for the small farmer where the husband dies and the wife, because of a high inheritance tax or whatever, is forced off the farm because she can't pay it, or for the young people of this country who really would like to own their own farm but can't afford it.

THE PRESIDENT. Well, the estate tax changes that I mentioned a moment ago, increasing the estate tax exemption from $60,000, which was established in 1942, to $150,000 would, in many, many instances, I think, handle the problem you are talking about as you describe it—a small farm. And then the other provisions

to extend the payment of the estate tax would also be helpful if the farm was worth more than $150,000. That is one way to help ensure the transfer of the property and have it kept in the same family from one generation to another.

Now, for a young farmer that wants to start fresh, the odds are tough, I agree, but you have got some good bankers around here in West Bend. And the SBA and others, I think, can be receptive particularly if you have got a good earning record, a good credit record, and know something about the business.

Then, of course, there is another way in which the property can go from husband to wife without any estate tax imposition, and that is if it is part in joint ownership. That is an easy way to transfer it without any estate problem.

We will do one more here and then one more over on the right.

MINIMUM WAGE RATES

[15.] Q. Mr. President, I would like to know why the minimum wage is lower than what most people get that are on welfare.

THE PRESIDENT. Why, the minimum wage——

Q. The minimum wage is lower than what a person can get on welfare.

THE PRESIDENT. I don't think it is——

Q. It most certainly is.

THE PRESIDENT. Now, there are some instances where you have aid to dependent children, and a woman, if she has five children, or whatever the number is, it is possible that she will get more, particularly if you include food stamps, and any one of the other programs. But a single person on welfare, if my memory is correct, cannot get more in welfare than he or she would get under the minimum wage. Is that correct, Mel?

I think I have got two good witnesses here, but we all three might be wrong, but I think that is right. And if it isn't right, it's wrong. [*Laughter*]

PRESIDENTIAL ELECTION OPPONENTS

[16.] Q. My name is Becky Elliott, and I am from West Bend. I wanted to know if you think you are going to beat Jimmy Carter and the rest of the other guys for the President?

THE PRESIDENT. Well, I think I can beat all those guys. [*Laughter*]

Thank you.

NOTE: The President spoke at 8:40 p.m. at the West Bend High School fieldhouse. Governor Warren P. Knowles of Wisconsin 1964–71, chairman of the Wisconsin President Ford Committee introduced the President.

In his opening remarks, the President referred to Mayor Ralph Schoenhaar of West Bend and Dr. William S. Steinert, superintendent of Joint School District No. 1, West Bend.

Following his remarks, the President attended a President Ford Committee reception at the West Bend Holiday Inn.

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Remarks and a Question-and-Answer Session at a Farm Forum in Fond du Lac, Wisconsin. *April 3, 1976*

Thank you very, very much, Bill, Governor Knowles, Mel Laird, ladies and gentlemen:

It is really a great privilege and a pleasure to have been in the greatest dairy State in the whole Union for the last day and a half, and the warm welcome and the wonderful reception, I deeply appreciate. And to see this great crowd here this morning, touches me very greatly.

But just as Wisconsin and my own home State of Michigan share the upper Great Lakes, Michigan also shares your great attachment to America's bountiful dairy and pasture lands. We cannot compete in the production, but we have the same warmth and affection toward the dairy production and all the things that make your State so great.

And I also congratulate Wisconsin on all of its great achievements and its accomplishments, its production, and warm and fine people.

I think all of us recognize that America's future depends upon America's farmers. Our national heritage was created by farmers. All Americans—actually, the entire world—today depend more than ever upon all of you.

Abraham Lincoln signed the Homestead Act, which embodied our fundamental belief in the importance of the American family farm. Lincoln was so right.

Thomas Jefferson, George Washington had shared the same great vision. They were convinced—so am I—that a man with a stake in his own land is a free man. His family is a free family, and together the family farm is the basis of our free society.

There is a saying in Michigan that the only way a young person can get started in farming is to marry one or inherit one. [*Laughter*] And it is getting much harder to do either—[*laughter*]—particularly the latter.

Not only in Michigan but in Wisconsin, throughout our country, we have got to do something about this problem. That is because the individual who inherits a farm is often too severely pressed to pay the estate taxes on it. Our outdated inheritance laws, which have not responded to inflation, are a very real threat to the family farm. And that is why this administration is working so hard for new laws to solve this serious problem.

We must maintain the continuity and the strength of our family farm. Too

much labor and too much love go into the development of a paying farm to dismantle it with every new generation. That is particularly true on the dairy farm where the hours are endless—and you know them better than I—those cows must be milked twice every day.

Women are also involved, as men are, in the operation of a farm, and every child in every family contributes his or her share. So, it is only fair that the family farm, already a vital institution, continues to flourish as a profitable and free enterprise.

You and all farmers must have a fair return for your long and tireless and hard work. That is your goal, and it will be mine, as I continue to work for strong markets for our farmers' production.

We must never forget that American farmers must profit if America is to be a profitable-going country. There must be enough income for each of you to buy new stock, to replace equipment, to build new barns, to conserve and to enrich your soil, to adopt new techniques, and to buy essential supplies. That is what keeps the entire American economy moving.

A decision was required on the unfair competition on certain foreign dairy imports just a few days ago. The question involved foreign nonfat dry milk mixtures designed to evade our dairy import quotas. Importers tried to buy past our limitations by mixing dried milk with other ingredients. As President, I will not tolerate such practices. Accordingly last week, I signed a proclamation to put a zero quota on such imports.

The last 3 years have been the highest 3 years of net farm income in America's history. That is the way it should be. That is the way it is going to be. It took hard, hard work on your part, and it took the right kind of farm policies.

In recent days, the world's population passed the 4 billion mark. Looking ahead, we will be hard put to feed the entire world. There is certainly no time to pull back our efforts to help increase your productivity and your efficiency.

For 25-plus years, I had the privilege and the honor of representing farmers, including dairy farmers, when I served in the Congress. As President, I refuse to go back to the old, harmful farm practices we had during most of those years. They meant disaster for too many farmers. They created great surpluses. They damaged the free market economy. I will not go back to those programs that require the Department of Agriculture to interfere in the daily operation of every farm in America. And I will use every power in my command to inject some common sense into the operation of the Federal agencies which seek occupational safety and health and environmental protection. We have to do a better job in that regard.

We all believe in safety, health, and the environment, but the farmer is also entitled to safety from those who would create an environment in which his farm cannot function. Under this administration, we have worked toward a minimum of Federal regulation. We are making some headway, but we have got a long way to go. And with your help, in the next 4 years, we will make the kind of progress that is need and necessary to make a better America.

Had it not been for your productivity, it would not have been possible to increase agricultural exports to $22 billion in 1975. Wisconsin depends mostly on imported petroleum. Without the increase in farm exports, we would have been hard put to pay the increased price for foreign oil. Imported petroleum cost America—this is the 1-year cost—last year $27 billion, and the figure, unfortunately, will be even higher in 1976.

I appreciate very deeply what the American farmer is doing for America. Whether you are a dairy farmer, raise hogs, or grow soybeans, you bolster our economy. Farm families also enhance our ethical, religious, and moral values, our patriotism and our national character.

To be strong externally, we must reassert traditional values that strengthen us here at home, and we must reject big government concepts in favor of a true partnership in which private landowning men and women can achieve prosperity without undue Federal interference. Farming is far too important to be left to the politicians in or out of Washington.

To the dairy farmers of America, I say you must have every opportunity to make a fair profit out of your milk. You must have adequate incentives for full food production. We must keep the dead hands of Federal regulation off your farms, so that you can use the live hands of the farmers and produce and produce and produce.

As one travels around the world, you see some nations with other economic and political philosophies. They have virtually the same tractors and the same bailers that you use, but those nations do not have the greatest piece of farm machinery ever built—the free enterprise system of the United States of America.

We have turned things around in rural America, but we must keep moving in the right direction. We have much more to do. I am ready, willing, and able to work with you to get that job done. I am fighting to cut Government spending, to curb inflation, to assure a growing economy for the future. But this struggle can only succeed if you, our farmers, also succeed. I am on your side. Let's work together.

Thank you very much. Now, let's get to the part that I enjoy the most—those good hard questions that always seem to——

QUESTIONS

Q. I am a producer of raw materials—I am a little strange to the mike yet.

It is a known fact that pseudo-money to stimulate our economy will also cause inflation. Why can't it be known by our lawmakers that our raw materials are our real wealth, and the more we pay for them, the more we have to employ the unemployed, stimulate our economy, and pay our debts? Or to put it short, why does our Government insist on monetizing debts rather than wealth which ties in with the takeover of our freedom?

THE PRESIDENT. Well, as I understand the question, you are in effect saying, why do we have Federal deficits, and why do we have the Federal debt that we have? Is that correct, sir?

Q. Well, partly, but if the farmers were paid for their product, that money would multiply and help the whole Government. In the years that the farmers were paid, we had no deficit in Government. And if the farmers were paid for their product, then we could employ the unemployed, and everybody would have more money.

THE PRESIDENT. Well, I totally agree with you, sir, that in order to have a healthy, prosperous economy in the United States, we must have a healthy agricultural segment of our economy.

Q. That is right.

THE PRESIDENT. Now, as I indicated in my prepared remarks, the last 3 years we have had the highest 3 years of net farm income in the United States. That does not mean that every segment of agriculture has profited as well as others. This year the cotton farmers are doing very well; the previous year or two, they did not do well. A year or so ago, some other segments of our agriculture were doing well; they have had a fall-off. The cattle producers are now having a difficult time. What we have to do is try to get some basic stability so that all agriculture does well. And, if it does, then the farm machinery producers will do well, the banks will do well, the American people will be well fed. But we have gone through a traumatic period in the last 20 months. For example, our economy was seriously upset by the oil embargo. We had a three times increase in petroleum costs, because we were so dependent on foreign imported oil.

We have got to get this imbalance rectified so we have an economy which is

a stable, upward trend. I think we are making headway. Inflation has been cut in half. Unemployment is going down. Employment is going up, and this will have a stabilizing effect. And we are headed for a balanced budget in the Federal Government if we can get the Congress to cut the rate of growth in Federal expenditures, and I think we are going to do it.

Q. The Federal Reserve Board regulates our monetary system, and it is a good tool to be used when the economy is overheated. But when this happens, it causes undue hardship for that individual that has just started or expanded his business, and his funds are committed, and the only way he can get out from underneath this is liquidation. What do you feel can be done to alleviate that problem?

THE PRESIDENT. You are exactly right that the Federal Reserve Board controls the supply of money and basically, the interest rates throughout the country. In the past, we have had too much fluctuation. They have either contracted too severely or they have inflated it too greatly, and the net result is, to some extent at least, they have contributed to the peaks and valleys in our economy. Under the present leadership in the Federal Reserve Board, they have agreed to have a range of increase in the supply of money of 4½ to, I think, 7 percent. And that is a reasonable range, depending upon the fiscal policy of the Federal Government and other factors.

At the present time, as I understand it, they are, more or less, in the middle of that range over the 2 or 3 or 4-month period and, consequently, it does appear that interest rates are falling. I know the Federal Government is paying less today than it did a few months ago for the money it borrows, and long-range interest rates are beginning to ease a bit.

I don't think we have to take any drastic action right now. It is my understanding that savings and loans and mutual loaning institutions have had a great inflow of money from the American people putting it in there for their savings. And that, in turn, is going to make not only more money available to those that have to borrow but money available at a lesser interest rate.

So, I think we are moving in the right direction, and I can assure you that the Federal Reserve Board is cognizant of the precise problem you are talking about. And we will try to make certain that they don't pinch off anything to create the problems that we have had in the past on some occasions.

Q. I'm from Campbellsport, where you had breakfast this morning.

THE PRESIDENT. A real good breakfast—more than I should eat.

Q. Mr. President, how do you justify Mr. Meany's [1] delaying action of the grain shipment to Russia?

THE PRESIDENT. Well, the decision on Mr. Meany's part to embargo grain shipments, I think, was unjustified. But the problem was, how do we solve it?

Now, if there had been court action—and some people had undertaken court action to stop it—that would have been a long process. It would have taken, under our court system, a local court decision. It could have been appealed. It could have been appealed for a period of 6 or 8 months, and the whole shipment of grain would have been held at the ports. And that would not have helped anything, because grain would have backed up all the way to the farms here in Iowa and Nebraska and Wisconsin and elsewhere.

So, the better way to do it was to undertake what we did—was to negotiate a long-term grain shipment arrangement with the Soviet Union, so we have a guaranteed minimum of 6 million tons per year and for 5 years. In that way, we got the labor unions to back off, and we could continue to ship the grain that was already contracted for. And we didn't have the backup that would have created a catastrophe in transportation and a storage problem for the farmers on their own farms.

So, in order to avoid that, we did what we did. It was not capitulation to Mr. Meany, it was a practical solution to a practical problem. And we ended up with a firm arrangement for the shipment or the purchase of at least 6 million tons of American grain, an assured market, and the American farmer is going to be the beneficiary.

Q. Mr. President, I am president of the Lake Winnebego Area Health Systems Agency. I am very concerned, as a farmer, about rural health care or the lack of it. Even in the best of rural areas, health care is wanting. And this situation does not appear to be changing, since statistically the doctors in the rural areas are older doctors, and it is questionable for their replacement. What do you have as a program to help rural health care and the rural health care needs?

THE PRESIDENT. In the first place, in the last 5 years there has been a tremendous increase in medical school education facilities. Mel Laird had a lot to do with that program when he was in the Congress. We are expanding our medical schools. We have many, many more doctors being trained all over the country. We have a number of new medical schools. So the supply of doctors will increase.

The problem is how to get them out into the rural communities. I am told that there is a growing trend, as they discuss with medical students what they want to do—whether they want to be a specialist or a general practitioner, et cetera—

[1] George Meany, AFL–CIO president.

that more and more of them for a wide variety of good reasons are indicating that they want to move to our small towns and into rural America. That is one trend that I think will help solve the problem you are discussing, particularly with more doctors. There are so many of them in most of our major metropolitan areas that it is not a good ratio, and we need the ratio changed.

But the other problem of how to get our Federal funds for health care properly distributed—I recommended a change from the 26 categorical grant programs that we now have in the Federal Government for health care in one block grant program. And what does that mean? It means that the State of Wisconsin, for example, that has many rural health problems, will get a total sum, as much as they have gotten in the past from the 20-some categorical grant programs.

That money will go to the State agency, and the State agency can then decide how they want to distribute that money. And how it is done in Wisconsin will probably be different than how it is done in Pennsylvania or in South Carolina or in Florida. So, your local people at the State and local level can decide how that Federal money will be spent. And I suspect that people in Wisconsin will have a little influence on how your State people make those decisions, so a greater proportion of those funds can go to rural Wisconsin. But that is a local decision with the same or more Federal money made available.

Q. Mr. President, my wife and myself and family operate just a medium-sized dairy farm, I would say. You touched on the transferring of estate before and the amount of exemption involved and so on, and this is a concern that I am very interested in. I feel that it is extremely outdated.

The modern family dairy farm has an investment of anywhere from $250,000 to $300,000—many of them are much larger, some are smaller, but I would say a good share of them come in that category. And I feel that the exemption should be raised so that this property could be transferred to a spouse who is remaining, at least, I would say, to the area of $240,000 to give them a little opportunity to transfer this without being taxed out of existence. I would like to hear your views a little more extended.

THE PRESIDENT. Well, the present law which was passed in 1942 provides for a $60,000 exemption and no real provision for any relief in the payment of the estate tax moneys that are owed. I have recommended that that $60,000 exemption be increased to $150,000 and, in order to help those who have an estate or more than $150,000, the remainder that is taxed, the payments for that can be spread over a 5-year period with no payments. And the payments that are left would be spread over a 20-year period at 4-percent interest on annual increments paid.

So, it does provide for better than a double increase in the exemption, from $60,000 to $150,000, plus the capability to spread the payments for any additional tax over a 25-year period. Instead of having to borrow the money from a bank and pay whatever the bank charges, you will have a 5-year moratorium and then 20 payments, paying the Federal Government 4-percent interest. I think that is a good way in which to help finance the transfer of the farm from one generation to another.

Now, this is presently before the House Committee on Ways and Means, which is the taxation committee of the Congress, and I hope that that legislation or something comparable to it will be enacted by the Congress this year. It is long overdue.

Q. Mr. President, I am a dairy farmer from Sheboygan County and the town of Greenbush. I must say, I would like in my heart to support you because I believe you are an honest and a good man. But your farm policy, from my point of view, leaves much to be desired, and I refer specifically to the cheap food policy of Mr. Butz.

I would like to ask you if you would consider removing Mr. Butz from office because of this policy, and if you would also consider some kind of a method of establishing some kind of a board or something, an advisory board, maybe, where we farmers from the grassroots level could possibly help you in establishing farm policy and give you advice on what we really need?

THE PRESIDENT. I respectfully disagree with you. I think Earl Butz is the finest, or certainly one of the finest Secretaries of Agriculture this country has ever had, and I will tell you why.

Before Mr. Butz became Secretary of Agriculture, we had farm policies which resulted in unbelievable surpluses being owned by the Federal Government. They had piled up to the extent that Uncle Sam, your Government and my Government, was paying almost $400 million a year just in storage policies. There were storage fees. That is not a good farm policy. That kind of a farm policy, with the heavy surpluses overhanging the market, kept farm prices down.

Farm prices generally have gone up under Secretary Butz' policies and programs. And we don't have any surpluses, and we are selling more agricultural commodities all over the world than we ever have in the history of the United States.

The worst kind of farm policy would be one to go back to this surplus that we had for 15 or 20 years, because those surpluses depress your farm prices. And

Mr. Butz has sought to get rid of them. We have gotten rid of them, and farm prices are better now than they were when he took over.

And all I can say is we are going to do everything we can to keep surpluses from getting accumulated and depressing farm prices. We are not going back to those old farm policies which in many, many cases contributed significantly to the flow of family farmowners from the farm to the city. We want to reverse that policy and get more people owning family farms in this country.

Now, on the second question that you asked. I have established what we call the farm policy board. It is a Cabinet policy—a policy committee. The chairman of it is Secretary Butz. It has three or four other Cabinet members, plus other top advisers. That Agricultural Policy Committee will recommend to me policies as to farm decisions of one kind or another.

I think that incorporates the best thinking of the people in the executive branch of the Government, but I am sure that Secretary Butz himself, in the Department of Agriculture, consults freely with the Farm Bureau, the various dairy organizations, the Farmers Union, the Grange, and all of the others to get their considered judgment as he recommends farm policy to the board and they to me.

We want the input of agricultural people at the grassroots level, and I am sure the Department is getting them. And by the meetings that I have held in Illinois, the one in Wisconsin last week, and the one here this week, I am getting a pretty good input, too, and I like it.

Q. Well, Mr. Ford, I will agree with what you said about the opposite of the policy that we have, but I think somewhere in between there must be a policy where we can make more stability in agriculture. The dairy portion of agriculture has been hurt extremely, along with the livestock portion. We cannot tolerate peaks and lows when we must live in these lows for—now the last time was an 18-month period—and particularly the young farmer with a huge amount of borrowed money has found it nearly impossible. And this is what I mean, that we have to have something different than that.

I thank you for the privilege of talking to you.

THE PRESIDENT. Thank you very much.

Q. Mr. President, I am a dairy farmer from Fairwater, Wisconsin. It might be of interest to you to know that I am also president of the Ripon Republican Club, birthplace of the Republican Party.

I want to, first of all, commend you on all your vetoes that you have made in Washington and even the dairy support veto. But it bothers me. I am wondering, what do you plan on doing about labor? They keep on striking, and they get higher and higher wages, and the cost is passed on to those of us who buy the

supplies and the tractors. Probably three-quarters of us can hardly afford anymore to buy a new tractor; they start at $10,000, and they run up.

THE PRESIDENT. Well, first let me thank you for mentioning the vetoes. I vetoed 46 bills in 19 months. Thirty-nine of those vetoes have been upheld by the Congress. And as a result of those vetoes, and 39 of them being sustained by a third of the Members of either the House or the Senate, we have saved the taxpayers $13 billion.

We are engaged right now in a very difficult negotiation between the truckers and the Teamsters. It is a tough negotiation, and I got word this morning that there had been a settlement of approximately 60 percent of the trucking industry. And there are several other segments of it that have not yet settled, but they are optimistic that that will take place.

This is the kind of a negotiation that I think has to take place between labor and management, and only as a last resort should the Government get in and use the legislation that is available. But it is far better, from our national point of view and the philosophy that I think most of us have, that the parties themselves should settle their differences.

We are trying to hold down to the extent that we can, indirectly. We don't want to go back to wage and price controls. I don't think agriculture wants a wage and price control policy; it was disastrous. And the gentleman that I talked to a minute ago probably was thinking of the 90-day freeze that we had on cattle prices in 1971, as I recall. It was disastrous and caused some of the problems that later took place.

We have got to make sure that labor and management understand that they have to act in the national interest as well as in their own interest. And here is what the Secretary of Labor, Bill Usery, is trying to do—to convince both parties as they negotiate, they just can't get a bigger piece of the pie. They have to understand that all of us will suffer, including themselves, if they are too selfish in their negotiations. We are trying to keep down some of these costs, the labor costs, in a responsible way. But for us to put wage controls on, I think, would not be the answer. I think it would be the wrong approach, just like it was the wrong approach on food prices 2 or 3 years ago.

Q. I am a Winnebago County dairy farmer. I guess I am considered a young farmer. I would like to add that I am pretty happy with dairy farming the way it is. I think the efficient farmer who is doing a good job is making a pretty good living right now.

My question is, I am kind of at a loss as to who to support for President. I think you are very sincere in being here, but I wonder how much emphasis we have

only being five people out of a hundred who vote for you. It just seems to me that people who are going to get elected President are going to have the support of the nonfarm people, because we don't have that much voice.

Another question is, it seems to me that George Meany has more influence on our foreign grain policies than you do, and I would like your response to that.

THE PRESIDENT. I would categorically disagree that George Meany has more influence on our grain policies than I do. I made the decision for us to move to long-term agreements with the Soviet Union. I think that is in the best interest of agriculture, because if you look at the sale of grain to the Soviet Union, going back to 1971, in 1 year you will have virtually no sales. The next year, in 1972, we had around 13 million tons of grain sold to the Soviet Union. The next year, we had virtually no such sales. It has been a yo-yo, a peak-and-valley proposition, and that has been very disturbing to our grain crop sales throughout the world.

Now, we have a guaranteed 6 million ton per year for 5 years, and we can sell them higher if we want to. And if the farmers want to sell more than that and the Soviet Union wants to buy it, they can make the deal. So, I respectfully disagree that Mr. Meany has anything to do with foreign agricultural sales policy. He has none.

And let me just indicate another area where Mr. Meany and I have many, many differences. I vetoed the common situs picketing bill much against his wishes. Now I got off the track here a little bit—[*laughter*]—but I just wanted to make sure that I was running the Government and nobody else. [*Laughter*]

Q. Thank you very much. I realize you have a tough job, and I wish you good luck.

THE PRESIDENT. Thank you very much, sir.

Q. Mr. President, I am a dairy farmer here in Fond du Lac County and also chairman of the agriculture committee of Fond du Lac County.

I have one question in regard to imports. We in Wisconsin are now in the process of the referendum vote by the dairy farmers as to a 2-cent checkoff as far as our milk advertising program is concerned. There are a lot of us here in this room that are very much interested in this. We believe in advertising. We believe we have to do this to create a market for our product.

Now, if we can establish this, if we can get this job done, what kind of a guarantee can we have from the Federal Government, that once we have a market created, that the Government does not open up their doors to imports to the point where they take up and make up the difference between our profit and loss?

THE PRESIDENT. Well, let me assure you that this administration will not

tolerate foreign government-subsidized dairy products, period. And we will use the best wisdom we have to make sure that there is a fair treatment as far as your products competing with any foreign products, subsidized or nonsubsidized.

But I think we do have to be honest with one another and say that if we expect to sell $22 billion worth of farm commodities overseas, there are some foreign imports that have to be sold in the United States. There has to be some balance. We can't sell to them unless we buy from them, but there certainly will be no subsidization of foreign farm exports to the United States—that is absolutely clear.

In the other areas, like I mentioned on the nonfat dried milk mixture proposal—when they did that we cut them off, period. And we will act just as decisively on other matters of that kind.

Q. Mr. President, this will be the last question.

THE PRESIDENT. We will take one more over here after this. Okay.

Q. Mr. President, Manitowoc County Ford Headquarters, head coordinator. My major concern is what is happening in the postal department. We have just had this 3-cent raise, and unless I heard very incorrectly last night on the media, somewhere within the near future we could go up to 36 or 38 cents for 1 ounce of first-class postage, which could put small businessmen who depend on the charge system or perhaps mailing as a major part of their business out of business. Do we in Federal Government have any plans beyond just simply trying to cut back small Post Offices, or will we perhaps make our American people have to cut back a little bit of their services or do something about this, so that some of us small businessmen can stay in business?

THE PRESIDENT. The Postal Service problem is one of the most perplexing ones we have. We had a system up until about 4 years ago that was rampant with politics. Democrats abused it; Republicans abused it. And it was in a mess, to be honest with you. The Federal subsidy was growing every year. We went to a Postal Service and supposedly, and I hope it is true, wiped out all politics in the Postal Service. They have been trying to put it on a pay-as-you-go basis. It was recognized that during this transition period there would have to be a subsidy. At the present time, the Federal Government is contributing about a billion dollars a year to subsidize the Postal Service, plus whatever other revenues they get.

I must say in many respects, I am disappointed the way it has turned out, except I think it is better than what it was. Now there are some areas where

I think the Postal Service will have to make some adjustments in service; otherwise, it will require more subsidy from the Federal Government.

The head of the Postal Service says he needs another billion dollars from the Federal Treasury. Well, that is $2 billion in subsidy in 12 months. I think there has to be a better solution than that. We have got a special study going on now in the Office of Management and Budget, and they are working with the Postal Service to try and see if there can't be responsible economies, some better personnel management policies. But I think everybody probably will have to tighten their belt—the management, the employees, and the recipients—unless we are going to call on a bigger and bigger subsidy or less and less service.

Q. Is there any possibility of having private industry handle part of this, or is that unconstitutional?

THE PRESIDENT. Well, it is disallowed by law, but let me tell you what probably would happen. There are some companies that want to, in major metropolitan areas, move in with their postal system which is now precluded by law. Frankly, that is where the Post Office service or Postal Service makes money. So, if you take a private delivery system and let it just go into the markets where the Postal Service makes money, the Postal Service will be in worse shape. So, I don't think that is an answer, either, because they will take the cream off of the area of revenue and then the Postal Service will have more problems, not fewer.

Q. Thank you very much, Mr. President.

THE PRESIDENT. Yes?

Q. I am a dairy farmer down at a little town called Waukesha, a little south of here.

About 2 months ago, you vetoed a price support bill at 85 percent of parity that disappointed me a whole lot, but I applaud you for raising it as much as you did, ordering Secretary Butz to give us the new rate on April 1. I understand that there is a new bill in the hopper at the level that is more to your liking at 80 percent of parity for the next 2 years. Will you sign this bill when it hits your desk?

THE PRESIDENT. Well, as I understand, Earl Butz has agreed, and I fully approve, to increase, as of April 1, the price supports to 80 percent of parity. And we have agreed to review the situation every quarter. I think it is better to have that kind of flexibility as long as you all understand that we will continue to do what we have done—and we have not broken an agreement yet; we don't intend to break one.

I think flexibility is better than a rigid figure set at a certain level. I can assure

you when we make an agreement with the dairy industry, we will keep it. And the record shows we have in every instance.

So without making a final judgment on a piece of legislation, I am just trying to explain to you how I generally feel. I usually have a policy of [not] saying I will or won't veto something until I read the fine print, and that is not a bad idea. So, generally, I think we have got a good arrangement—that every quarter we are going to review it, and we are not going to break any agreement. And that generally is a better approach than some firm, fixed figure, as I see it.

Q. I disagree with you on that, but that is—I think that I like the 2 year time on this thing because it runs quite a bit after the election, Mr. President.

THE PRESIDENT. We will take a good look at it, but I—[*laughter*]——

Let me say this to the gentleman that just spoke to me—I wish we could get politics out of the farm problem. That would be best for the farmer and best for the country.

I have enjoyed the opportunity to be here. I deeply appreciate your views as you have expressed them in questions. And if we have had some disagreements, and in a couple of instances we have, the great thing about these kind of meetings, as I see them, is that you can disagree without being disagreeable, and that is the strength of this country.

Thank you very, very much.

NOTE: The President spoke at 9:43 a.m. in the Little Theatre at Goodrich High School. Representative William A. Steiger introduced the President.

In his opening remarks, the President referred to Gov. Warren P. Knowles of Wisconsin 1964–71, chairman of the Wisconsin President Ford Committee, and Melvin R. Laird, U.S. Representative from Wisconsin 1953–69 and Secretary of Defense 1969–73.

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Remarks Upon Receiving the Key to the City of Fond du Lac, Wisconsin. *April 3, 1976*

GOOD MORNING, everybody.

Let me first of all thank your Congressman, Bill Steiger, and former Governor, Warren Knowles, and all of the local public officials and all of you for coming out here. This has been one of the most wonderful welcomes, one of the greatest crowds, one of the warmest and most friendly groups, and I thank you from the bottom of my heart.

May I express also my gratitude to the various individuals who have been so generous in remembering both Betty and myself, and the wonderful things

that you make here in the city of Fond du Lac and Fond du Lac County—we will eat and wear and walk on. And everything will just bring back some superb memories of this occasion.

Now, if I could just say a word or two. I am here in the State of Wisconsin, last weekend and this weekend, because I want as many people in the State of Wisconsin to see President Ford, to have an opportunity to hear his views—I have talked to two farm groups, I have talked to business and industry, I have met with many other groups—and, of course, the opportunity to see all of you here and to see the reaction you get.

But I think that what we have tried to do since I became President 19 months ago, whether it is at home or abroad, it has been in the best interest of the country, and all of us are a lot better off because of those policies.

Let me just remind all of you for a moment that 19 months ago, in August of 1974, we had inflation of 12 to 14 percent; it is 6 percent or less today. We had unemployment that rose to a height of 8.9 percent; it is down to 7.5, and it is going lower.

We had an announcement yesterday from the Department of Labor that 86,700,000 Americans are working today—the highest number of gainfully employed in the history of the United States. That is a lot of progress. We are going to get a lot more.

But in order to enjoy all of the benefits that come from freedom in America, we must be strong enough to make certain that we can maintain the peace, that we can deter aggression, and that we can maintain our national security against any challenge. The way to do that is to keep America unsurpassed in military strength, to keep America's industrial capacity strong, stronger than any other nation in the history of the world, to keep our agriculture in America as strong and as productive as it is today—and it is by far the strongest of any nation in the world. We must keep our technological and scientific capabilities ahead of everybody's.

But, most of all, the greatest strength that comes in this country is the deep religious, moral, and spiritual values that mean so much to each of you and to each of us. And if we are unsurpassed militarily, we keep ahead in science and technology and agriculture and industry. And morally and spiritually and religiously, every one of us will know that America is number one, and we can be proud to be an American and proud of America.

Thank you very much.

NOTE: The President spoke at 12:11 p.m. at the presentation ceremony on Main Street.

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Exchange With Reporters on Arrival at Green Bay, Wisconsin. *April 3, 1976*

GOOD AFTERNOON, everybody. It is nice to be in Green Bay and Brown County, and it is great to have an opportunity to respond to any of the local press questions. Do any of you have any questions you would like to ask?

REPORTER. Do you ever wake up in the middle of the night and really wonder if you are President?

THE PRESIDENT. No, I remember very vividly that I took the oath of office and ever since that, in August of 1974, I have been so busy I haven't thought of anything except trying to solve the problems that we have had.

Q. Do you feel we will get a good fuels bill eventually?

THE PRESIDENT. I think eventually the Congress will get around to passing a good energy bill. They took a year to pass one that was marginally good. But there are some things they could do this year that would make our Project Independence more meaningful. We certainly are going to keep the pressure on, because we can't continue to be so dependent on foreign oil.

Q. President Ford, this is a an agricultural State. If you are reelected, is there any change anticipated with the Secretary of Agriculture?

THE PRESIDENT. I think Earl Butz is one of the finest Secretaries of Agriculture we have ever had. He has gotten our farm economy turned around and on the right track. We are now producing about $22 billion a year in farm exports. We have had the highest 3 years of net farm income. We have farm programs that are designed for production and not for storage. So, I think, in my opinion at least, Earl Butz is the best Secretary of Agriculture we have had, and we are lucky to have him.

Q. What do you think will be the results of the Wisconsin primary, Mr. President?

THE PRESIDENT. It is going to be a tough battle, a close contest. I have been up here trying to meet face to face the people from the State of Wisconsin. I think that is an important way to communicate—I think it is the best way to communicate. I think if you can talk to people or if you can look them straight in the eye, that is the way to convince them that they ought to support you. And it will be a tough battle, but I think we will come out ahead, although it will be very close. I will be satisfied with 50 percent, plus 1 vote.

Q. The differences between Ronald Reagan and yourself, are they going to hurt the Republican Party?

THE PRESIDENT. I would hope not, but certainly some of the comments concerning the United States I don't happen to think are necessarily good at all. It is my feeling that the United States is number one. We are unsurpassed in military capability, we have the greatest industrial capacity in the history of mankind, our agriculture is by far the most productive in the history of the world, we are ahead by any standards in science and technology and, besides that, we have the greatest moral, spiritual, and religious strength.

So, when you put it all together, the United States is number one, and anyone who says it isn't, I think is harmful, is hurtful to our overall efforts.

Thank you very, very much.

NOTE: The exchange began at 1:10 p.m. at Austin Straubel Air Field.

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Remarks in Green Bay at Dedication Ceremonies for the Green Bay Packers Hall of Fame Building. *April 3, 1976*

Thank you very much, Mr. Chairman and Bart and all of the wonderful fans of the Green Bay Packers:

Obviously, it is a great privilege and a very high honor for me to have an opportunity to participate in this groundbreaking ceremony.

As I was flying up here today I could not help but think of the great, great traditions that the Green Bay Packers have developed over the years—the wonderful ballplayers, and the superb coaches that have done a great, great job. And then I began to think about the experiences that I have had with some of the Green Bay people. I played with one of your alltime greats. I was almost signed to play with the Green Bay Packers by one of your coaches, your first coach and a coach here a good many years. I have known your present coach a great many years, and I had an opportunity to know Curley Lambeau [1]—I mean, Vince Lombardi [2] for a number of years.

Back in 1935 in the All-Star game in Chicago, I played with the All-Stars against the Chicago Bears, and that was the year that Don Hutson had finished at the University of Alabama and came and played and then came up here and

[1] Founder, former general manager and head coach of the Green Bay Packers professional football team.

[2] Head coach of the Green Bay Packers 1959–67.

had that tremendous career. And those of us who saw him in the All-Star game could not help but know that he was going to be a star for a long, long time and establish the kinds of records that he did.

Then I played in the Shrine East-West game on January 1, 1935, and that is a long time ago, back when the ball was round. On the way out to San Francisco we were on the train—we traveled by train then—and Curley Lambeau was along. The Michigan team that I played on that year won one game and lost seven, and Curley didn't think there were many ballplayers from Michigan that were worth looking at, and there probably weren't.

But anyhow, out at the ballgame on New Year's Day there were two centers on the team, and I didn't start. And the other center got hurt, so I played 59 minutes and had a pretty good ballgame. From San Francisco back to Chicago, Curley spent an awful lot of time talking to me, and he finally offered me, as was said, 200 bucks a game for 14 games.

Well, I had a hard time deciding whether to take that job or try to get it or whether to take a job coaching football at Yale, so I could go to law school. Well, I finally made the decision to go to law school and coach at New Haven.

Then, later, I got to know Bart Starr, who I think by any standards is one of the alltime great quarterbacks in the history of professional football. Few, if any, quarterbacks will ever achieve the success that Bart has had. You know, good players like Bart have the capability of being great coaches, so I am confident that Green Bay is going to be at the top, as it was for so long, very quickly under Bart's leadership.

Now, I also had the privilege in Washington, D.C., of knowing Vince Lombardi and also had the opportunity of getting to know his wonderful wife, Marie. Bart knows, I am sure even better than I, the great inspirational characteristics of Vince Lombardi. I think Vince sort of epitomizes what is the need and necessity of this country today to meet the challenges that we face, just like there were great leaders in all kinds of activities starting some 200 years ago to give this country the kind of leadership that has taken us from 13 small, struggling colonies of some 3 million people to the greatest nation in the history of mankind. And we are going to keep it there.

But the main thing is that through tradition, through the great successes—winning three consecutive football championships, the first two AFL–NFL championships—here in Green Bay you have developed a character and a leadership and an inspiration and a tradition that are the envy of all of our 215 million Americans, and I am among them.

I congratulate you. I am honored to participate in this.

Good luck, and God bless you.

Thank you.

NOTE: The President spoke at 1:58 p.m. after assisting in the unveiling of the dedicatory plaque. In his opening remarks, he referred to Bart Starr, general manager and head coach of the Green Bay Packers.

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Remarks to President Ford Committee Volunteers in Green Bay. *April 3, 1976*

I JUST love to come to Green Bay for several reasons. One, I have a great interest in, and have always had a wonderful affection for, the Green Bay Packers, but I also have always had a great time up here. I visited Green Bay on a number of occasions with one of my closest and dearest friends, Johnny Byrnes, who was your Congressman for so many years.

You know, I knew Gary Dilweg's [1] father back in Washington, D.C., so I am very familiar with the Dilweg name. And it is just wonderful that they have worked as the chairmen here and working with all of you to help my candidacy next Tuesday and again in November of 1976.

Let me make one or two comments. From the very day that I was sworn in, I decided that I was not going to promise to do more than I could produce, and I was going to produce everything that I promised, and that is the policy, basically, that we have in this administration. We are going to be straightshooters, we are going to be candid, we are going to be honest, and I think that is the only way for us to be successful. And it is certainly the only way to create the kind of trust that I think is needed and necessary between a President and the American people.

We had our share of troubles beginning in August of 1974 up until a few months ago. We had very difficult economic conditions. We had to face up to them. We had rising unemployment, we had decreasing employment, we had inflationary problems, but we kept our cool, we didn't panic. We decided that a steady, firm, constructive course of action was right, and, by gosh, it has turned out to be right because things are getting better.

As I think we all recognize, there had been a great distrust developing between the people and government. And it has been a slow process of trying to rebuild that necessary trust, so that government and people work together. But

[1] Cochairman of the Brown County President Ford Committee.

I see strong signs all over the country that people and government are working together because they trust one another a lot more. We are going to keep that up.

Then, we have had some challenges from abroad. Some of our allies in the last year and a half have wondered whether the United States would stand by its commitments, whether the United States really wanted to continue to be a leader in the world. And some of our adversaries, I think, might have been tempted to try and challenge our capability. But, you know, the main thing is our allies today know that we can be trusted, they know that we have the strength to work with them to achieve what we all want, and our adversaries have not challenged us because they know we are strong in capability and strong in will.

Let me just make one final comment. Some people have alleged, some people have challenged whether the United States is number one. Let me put it this way: The United States is unsurpassed in military capability; the United States has the greatest industrial capability in the history of the world; our agriculture out-produces any other nation in the history of mankind; we are ahead in science and technology. But the most important thing is that the American people—plus all of these other things—we have a deep conviction morally, spiritually, and religiously. And when you put all of this in one package, America is number one, and those that challenge us don't know what the facts are.

I want to thank every one of you. We have got a big ballgame Tuesday, and you up here in Green Bay know what you mean by a big ballgame. It is a game that we have got to win, but it is a game we are going to win, and it will be the kickoff for a great victory November 2 of this year. And, boy, at the end of that we can all say we're proud to be Americans, and we're proud of America.

Thank you very much.

NOTE: The President spoke at 2:14 p.m. at the Brown County Veterans Memorial Arena.

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Remarks and a Question-and-Answer Session at a Public Forum in Green Bay. *April 3, 1976*

Thank you very much, Bart, Governor Knowles, Congressman Bill Steiger, Mel Laird, Mrs. Starr, Mr. and Mrs. Dilweg, and all of the other wonderful people who have been helping on the President Ford Committee and, most importantly, all of you great people here in Green Bay and this part of Wisconsin:

It is just wonderful to come here on this occasion, the home of the Green Bay Packers. It is a thrill, and let me say, Bart, it was a special thrill for me to participate just a few moments ago in the dedication of the Green Bay Packers Hall of Fame. It is a great, great opportunity and a great thing for me, a "has-been" football player, to see all the greats from Green Bay and participate in that. Thank you for the opportunity. But let me say at the outset, I really don't mind if the Green Bay Packers have a linebacker by the name of Jimmy Carter, it is a great team anyway.

If I might transgress for a minute, I did participate in this dedication, and it gave to me an opportunity to think of the great traditions of the Packers and the wonderful struggles they have had and the games that they have won. And then I began thinking, as I flew up here, of the association that I have had with some of the people, the greats of the Green Bay Packers.

Back in 1935, in August, I played in the Chicago Bear All-Star game and Don Hutson was on the team, the All-Stars, and we lost it to the Chicago Bears 5 to 0. You would not remember that—many of you. As you know, Don went on to become one of the peerless ends of all time in professional football.

Then in December of 1934, I was a member of the East team of the Shrine East-West football game, and we met down here at Northwestern University campus, practiced for a week or two, and then took the train out to San Francisco. And on the way out Curley Lambeau, your great coach for many, many years, was on the train, and he was looking around on the East squad, and I think we had 24 members, and he didn't spend much time looking at me because we had seven games and won one at Michigan that year. And we didn't have many good ballplayers.

Anyhow, we got out to San Francisco, and we were playing the Western team, and the other center, Brooks Atchinson from Colgate, who started, got hurt in the first minute. So I played 59 minutes and had a pretty good game. And all the way back from San Francisco to Chicago, Curley Lambeau spent an awful lot of time talking to me about coming up and playing for the Packers, and he offered me $200 a game and 14 games during the season of 1935.

Now, that does not sound like a lot of money to some of you, but in 1935, 200 bucks a game or $2,800 in what—3 months, Bart—was an awful lot of dough. I decided to go to Yale and, frankly, I have always had a lot of interest in and spirit for the Green Bay Packers just because of that incident.

And then, I did have an opportunity over the years to meet Bart Starr, know him, and I think he exemplifies not only perfection on the football field but the kind of outstanding leadership that is needed in a community, on the foot-

ball field as a coach, as a player. And I value my friendship with Bart Starr, and he is going to give you a great ballteam in Green Bay.

Then, I had the privilege of knowing Gary Dilweg's father [1] when I was in Washington as a young Congressman. And it is awfully nice of you, Gary, and your wife, to help in the leadership of my campaign in this part of Wisconsin.

And then, one final note. I got to know Curley—not Curley Lambeau but Vince Lombardi when he came to Washington, and what an inspirational person. He just exuded the good things—the things that are good about America, the things that are good about competition, the things that are good about you and me. And so my experiences with Green Bay have all been good, and I am just delighted to be here, because I feel so strongly about the people here, the people I know and what you stand for.

I look forward to answering your questions, but prior to that let me make a few remarks. Let me tell you what I see as I look at the United States of America in the spring of its Bicentennial Year. Of course spring is always a good time of the year, it is a time when nature seems to come alive again, and the weather turns pleasant and mild, but there is a lot more this year to that than it has been in previous springs.

People in the country are feeling a whole lot better this spring than they did last spring. For example, a year ago about this time some people thought we were headed straight for a depression. Others said unemployment was going to reach 10 percent or more and gas would be selling for a dollar a gallon. But you and I know that is not the way things turned out.

Instead of a cold, hard depression we have got a bright springtime economy, and it is going to get better and better if we follow the right courses.

We made a lot of headway. We cut inflation in half in the last 12 months, and we are going to keep it going down. We have recovered 2,600,000 jobs since last March. Just yesterday the Department of Labor announced that we had 86,700,000 Americans gainfully employed in the month of March—an alltime record we should be darn proud of.

What it amounts to is that the rate of unemployment is going down and total employment is going up, and we are making significant headway in the battle against inflation. We had the fourth straight month of improvement in our leading economic indicators. In February, retail sales were up, new orders received by manufacturers reached the highest dollar volume in the history of the United States. This means—and this is the crux of the matter—that consumers have enough confidence to spend their money and businessmen have enough

[1] U.S. Representative LaVern R. Dilweg of Wisconsin 1943–45.

confidence to invest their money. It means that the signs of faith and optimism, the signs of health and vitality are returning to a country that not too long ago seemed to be frozen into a long, cold winter.

We have come through some hard times together, and now we can see that not only has our system survived but it is getting stronger and stronger. And I think the policies that this administration followed, that this administration kept to, had a significant impact on how much better things are getting.

Common sense, for example, told us that the way to beat unemployment was not by padding the Federal payroll but by strengthening America's free enterprise system. Common sense told us that the way to hold down the cost of living was to hold down the cost of government, and I did that with 46 vetoes, 39 of those vetoes were upheld by the Congress. And because we were able to sustain 36 [39] of those vetoes we saved the taxpayers $13 billion—and that ain't hay.

We fought to get you off the treadmill of inflation, and we are going to keep on fighting, and we are going to continue to be successful. We are going to keep our policy of sound and stable price levels, and we are going to keep our common sense.

Common sense tells us that State and local governments close to the people frequently have a far better sense of their needs than some Federal agency hundreds and hundreds of miles away from you in Washington, D.C.

Common sense tells us that one program that has worked for the American people is our social security system, which ensures a decent standard of living for our elderly Americans. I am determined to preserve the integrity of the social security system, and I have made concrete proposals to achieve it, and the Congress better respond to it.

Common sense tells us that we really don't want to dismantle the Federal Government and destroy good programs along with the bad ones. We should improve the programs that do work and get rid of those—that extra luggage that does not work, and we are in the process of doing that right now.

But, as some of you know, one of our best programs is general revenue sharing, and if you want to look at the author of general revenue sharing, look at Mel Laird here, who back at least 10 or 12 years ago was really the author, the principal sponsor of general revenue sharing. And it has done a lot to help local government, State government do the job at the local level a lot better than some of the bureaucrats are doing it or have done it in Washington, D.C. So, we ought to thank Mel, but let's get the Congress to extend it.

You know, common sense tells us that you don't switch quarterbacks just when your team is hitting its stride, just when you are gaining ground. Or, to

put it another way, this is no time to trade in your Ford for another model, especially one that has not been road-tested.

What America needs now is experience. America needs to continue the sound and stable policies that have proven their value by helping this country through its hard times. America needs a government that does not raise false hope or conjure up false fears. What we need is a government that promises only what it can deliver and delivers everything that it can—that it promises. That is the policy that my administration has followed, and that is the policy we are going to keep on following for the next 4 years.

But with your help, both next Tuesday and next November, we will make sure that America continues to have the solid, the responsible government that it needs, not just this spring but every spring for the next 4 years as well.

I thank you. It has been a great opportunity to be here.

Let's get to questions.

Questions

America's defensive capabilities

[1.] Q. Mr. President, my question is in regard to Mr. Reagan's charge that the administration's policy is to be second best or number two in defense.

The President. I am glad you asked that question because I have some very strong feelings about it, and I will give you the facts. Let me talk first about strategic capability. The United States has the most accurate ballistic missiles; the United States has the most survivable ballistic missiles; the United States has many, many, many more ballistic missile nuclear warheads than the Soviet Union. Those are the facts.

In addition, the United States has about 3 to 1 over the Soviet Union in what we call strategic bombers—our B-52's and other comparable bombers. The United States has, in addition, our Polaris submarines, our Poseidon submarines. We are in the process of building for deployment our Trident submarines. We are in the process of procuring and deploying our B-1 bomber. The United States has an unsurpassed ballistic nuclear strategic capability, and anyone who says to the contrary does not know what they are talking about.

As long as the question has been raised, let's talk about ships. I don't know how many people in this audience have served in the Navy, but in World War II, I served 4 years in the Navy, better than 2 years on an aircraft carrier in the

Pacific, so I know a little bit about the Navy, both as a Member of the Congress and as President and as a former person on active duty in World War II.

The allegation is that the Soviet Union has 3 to 1, or whatever the number was, more ships than the United States, but that is not the way you judge the capability of a navy. You can't equate a gunboat with an aircraft carrier. You can't compare a landing ship or an oiler with a nuclear-powered cruiser. The truth is that we have far, far, far more firepower with the Navy than the Soviet Union. We concentrated our naval capability for firepower, both from ships and from aircraft, and that is what makes the difference. It is not the number of rowboats you have; it is the number of combat ships you have with the kind of ships that are needed and necessary.

But let me just add one feature, and then I promise not to add any more. The United States is number one. We are unsurpassed in military capability. We have the greatest industrial capacity in the history of mankind. Our agriculture outproduces any nation in the history of the world. We are ahead in science and technology. We have the greatest moral, spiritual, and religious capabilities in the history of mankind. All of this makes the United States number one, and let's keep it there, and let's not let any critics undercut it. We are proud of America, and we are proud to be Americans.

Hi. How are you?

Q. Fine. My name is Todd Smith. Is being President better than being Bart Starr? [*Laughter*]

THE PRESIDENT. Well, on a few occasions I have been envious of Bart. But I must say that the training as a player and the 5 years as an assistant coach at Yale University taught me that competition on the gridiron is pretty good training for politics. You get a lot of Monday morning quarterbacks in both, Bart. [*Laughter*]

I get more fun out of watching those great football players play on Sundays, the day that I usually relax a little bit. So, I guess I do envy Bart and the ballplayers and the coaches a lot, but we are going to stick on this job. I can't make that league. [*Laughter*]

SECRETARY OF STATE KISSINGER

[2.] Q. Mr. President, we all realize what a demanding and difficult job that Secretary Kissinger has, and just lately we have heard rumors that when you are reelected there is a possibility that he may not be serving on your team. Is there any truth to this rumor?

THE PRESIDENT. Well, I have said publicly that I would like Secretary

Kissinger to be Secretary of State as long as I am President, and I can't expand on that. I think it answers your question. And let me tell you why. When we look at the Middle East, probably the most volatile, the most controversial area in the world, where 4 times in the last 20 years they have had wars, and each war has gotten bloodier and more serious, Secretary Kissinger has had a tremendous impact in getting the trust of the Israelis on the one hand and the Arab nations on the other, so that we could get peace and keep peace there.

I just use that as an example—to tackle the hardest area in the world to achieve success and to accomplish peace, he has done it with the direction and the implementation and the support that I have given him. I think you don't throw away a winning player, you keep him. And that is what he is.

LABOR-MANAGEMENT RELATIONS OF STATES AND LOCALITIES

[3.] Q. Mr. President, I am the vice president of the Wisconsin State Employees Union. On behalf of our 27,000 members, I would like to welcome you to Wisconsin.

THE PRESIDENT. Thank you.

Q. As a vice president whose constituency is composed entirely of State, county, and municipal employees, my question will be in that direction.

Your opponent in next Tuesday's election, Ronald Reagan, has stated that if any State, county, or municipal employee participates in a strike or a similar job action, in his opinion he has quit his job. What is your feeling toward a right to strike or a limited right to strike for State, county, municipal employees? And I also would like to know what you feel or what would your reaction be to a bill that on a nationwide basis would give State, county, and municipal employees a right to collective bargaining? And I also would like to know what your reaction is to the repeal of 14(b), the right to work legislation?

THE PRESIDENT. I am vigorously opposed to the repeal of section 14(b) of the Taft-Hartley Act. As a matter of fact, in 1950 or thereabouts, I participated in the debate and voted on that issue in the House of Representatives. I think if a State wishes to have the right to work, as 19 States do under our Constitution, that is a right that they ought to be able to exercise, and I would not recommend the deletion of section 14(b) of the Taft-Hartley Act.

Number two, I don't believe that the Federal Government either has the authority on the one hand or should exercise it on the other to pass comprehensive legislation involving the labor-management relations of State employees and their government or county employees and their government or city employees and their government. Those are decisions that ought to be made at

the local or State level, and the Federal Government should not get involved in them.

Now, the first question that you asked. We have 50 States, and we have 39,000 governmental units below the level of statehood. I don't think that somebody in Washington ought to tell 39,000 governmental units or 50 States how they should handle their labor-management relations. That is the prerogative of those units of government. If a government in Green Bay wants to handle it with the right to strike—and I just use that as an example—and Waukesha wants to have a different policy or the State of Wisconsin wants to have a different policy, that is the responsibility and obligation of those units of government.

And if a city council or a State legislature or Governor passed some legislation one way and the people don't like it, they know who to get rid of, and I think that is the way it ought to be handled. Washington should keep its fingers out of the situation. The responsibility and the obligation rests here, right in your State and your local units of government.

Q. Thank you.

EMPLOYMENT OPPORTUNITIES FOR THE YOUNG

[4.] Q. Mr. President, I was wondering, what can you do to help us teenagers get more jobs so we can go on to school and make money, so we can afford our education?

THE PRESIDENT. Would you ask that again? I missed the first part.

Q. What can you do to help get us more jobs so we can have enough money to go on to college and that?

THE PRESIDENT. You are talking about high school graduates?

Q. Yes.

THE PRESIDENT. Well, about 2 million young people enter the labor market every year as they go from either high school into the labor market or from college into the labor market. As I said a moment ago, we have picked up 2,600,000 jobs since last year, but that is not enough. Our unemployment is still too high, and it is still too high particularly among our young people, and especially among our young people in the minority categories.

Now, what we have to do is to stimulate our economy primarily in the private sector where five out of every six jobs in this country exist today. And how do we do that? We do that by providing an incentive to business to expand, to modernize, to improve so that they will be more competitive and more jobs will be available in the private sector.

I don't think the answer is to put young people on the Federal payroll. They have a greater opportunity for the future, for advancement and permanency in the private sector rather than in some temporary, payroll-padding job in the Federal Government.

On the other hand, if a young person like you wants to go to college and you don't have the funds available to do so, there are grant programs, there are scholarship programs. As a matter of fact, I recommended for the budget for the current fiscal year $1,100 million, as I recall, for what we call the basic opportunity grant program. Bill Steiger knows—he is a real expert on that program. We recommended the full funding of that program, which would have a maximum assistance of $1,400, and the average amount, because it varies, is around $900. We want to help you if you want to go to college, and once you get out of college we hope our economy is such that you will have a permanent job in the private sector.

AMERICAN MEDICAL PROFESSION

[5.] Q. Mr. President, this is a little bit different question than you have been harangued with or whatever. It is a medical question. Expenses are going up, and I have had experience with cancer. I had to leave the country to get information to obtain relief from such cancer or trichinosis. I have had experience with doctors here in this country, not just in this State—in other States. They didn't know how to diagnose the subject or the disease of worms—plain old worms, trichinosis. Now, you say we have all kinds of technology. When will the American Medical Association let loose some of that information that you talk about?

THE PRESIDENT. I don't think the American Medical Association has control over the cures or the things that are done to analyze the illness of a person or the recommendations for remedies to cure an illness. The AMA does not have that responsibility. That is the responsibility of a hospital or a clinic or an individual doctor.

Now, I am not familiar, obviously, with your personal case or individual case. But if you look, I think, across the length and the breadth of this globe and compare our medical profession with any other, the United States is lucky to have the quality of care that is given to save people's lives and to protect them from disease and to repair them from disabilities. And I can only say that the Federal Government is spending better than $1 billion for research under the National Institutes of Health in Washington, D.C., on cancer, arthritis, and heart and—

well, the whole range of things, and we are going to get some of these cures that don't seem to be available.

And I just say again that our medical profession, by the standards that I have seen, is a good medical profession. Now, they make a mistake, like I have made one or you may have made one, but they are not deliberate, I can assure you.

Q. Thank you.

HATCH ACT LEGISLATION; U.S. POSTAL SERVICE

[6.] Q. Mr. President, I have a two-part question, please. First, I would like to know your views on the present status of the U.S. Postal Service. The second part is, do you plan on either signing or vetoing House bill 8617 and if a veto, some of your reasons why? The House bill 8617 is the revision to the Hatch Act. Thank you.

THE PRESIDENT. Well, let me answer the second question first.

That bill, the so-called Hatch Act abandonment bill or the destruction of career Civil Service legislation, when it gets down to me—and it will be down to the Oval Office probably in a couple of days—everything I know about it, I am going to veto it. I think it ought to be vetoed. You can't have a career service for Government employees and get them involved in the partisan political arena. It just doesn't work. So, I probably, under any circumstances I see, will veto the legislation.

Number two, the Postal Service, up until it became the Postal Service—the Post Office Department was getting less and less efficient and it was costing more and more money out of the general Treasury. And the net result was Congress decided that it ought to become a nonpolitical patronage organization because the Post Office Department was bedded down with partisan politics, it was not an effective and efficient mail delivery service.

Now, the present Postal Service in time is going to remedy that. I must say I am a little disappointed in the progress they have made, but it is going to be a lot better in the future than the old Post Office Department would have been.

Now, there are those who say that the $1 billion a year that Congress puts in to subsidize the Postal Service isn't enough. That is what we have been subsidizing—the Postal Service—each year for the last several years.

We recognize we have to pay something for what is called public service, but you cannot go on taking that much money or double that much money from the general taxpayer to keep the Postal Service going. So, we either have to improve the efficiency of the service, cut down on some of the uneconomical operations, or you have to increase the rates or you have to take more money out

of the general Treasury. Now, one of those three alternatives is what we are faced with.

The Director of the Office of Management and Budget is trying to work with the head of the Postal Service to find a better solution. But right now you have got three bad alternatives—either more money out of the Treasury, restricted service, or increased rates—and none of them are very good alternatives. So, I think the study that is now being undertaken, hopefully, will come up with a better answer, and we will try it if they do.

Q. Thank you for your comments, Mr. President.

FEDERAL AID TO EDUCATION

[7.] Q. Mr. President, being in an educational field, if reelected, what do we have in store for the area of education, and in your remarks could you direct it especially to the aid of the handicapped children?

THE PRESIDENT. Are you talking about primary and secondary education, or are you talking about higher education?

Q. Primary and secondary.

THE PRESIDENT. I have recommended to the Congress what is called a block grant approach to primary and secondary education. At the present time, we have 15 different educational programs. They are all categorical grant programs. They each have their own bureaucracy; they each have their own little pot of money; and they each deal with a special problem in education at the primary and secondary level.

I have recommended that you consolidate all of those in one block grant program, and the money should go to the States and then down to the local communities, so the people in Green Bay can decide how they want to spend that money. Their problems might be different than those in San Diego, and if so, they ought to spend their money differently here in Green Bay.

Now, the problems of the disabled, across the board, are a very special one as far as my wife is concerned, and me, too. I happen to think that we have to recognize that the disabled, for reasons in most cases beyond their own control, have to be given some special attention. Like in the District of Columbia, the new Metro system, the subway system—by law there has to be a means of access and exit so that people who are blind or disabled or elderly can have a certain way of getting on the new subway. I think, across the board, we have to recognize the fact that this group in our society needs some very special attention, and this administration will carry out that promise and pledge.

Q. Mr. President, we are seventh graders from St. Jude's School. My question is, what led you to becoming President?

THE PRESIDENT. The question is, what led me to become President. [*Laughter*] Well, I got to be a Congressman, and then Vice President, and on August 9 of 1974 I had the opportunity to serve the American people, and we have tried hard to do a good job for 19 months. I would like the opportunity to serve another 4 years to do a better job.

MILITARY BASE CLOSINGS; EMPLOYMENT OUTLOOK

[8.] Q. Mr. President, I am from Marquette, Michigan. I would like to know why the Congress and you are closing these air bases and also the Government cutting down on them and the unemployment?

THE PRESIDENT. The Department of Defense has made a number of recommendations for studies to close down certain military installations, including Kinchloe Field in Michigan; including Fort Devens, an Army installation in Massachusetts; including a number of other military installations. The reason is very simple. As the weapons system use changes, as you go in the Air Force to more missiles and less aircraft, you have to change how you use your facilities, and as the numbers in the Army go down, you have to close the number of Army forts, camps, or stations. In other words, you have to tailor the use of facilities to the men and the weapons that you have and the mission.

At the time of the war in Vietnam, we had 3,300,000 Army, Navy, Marine Corps, and Air Force personnel. We now have 2,100,000. We, therefore, don't need as many bases. We don't need as many installations. So, in a responsible way we are trying to adjust, or the Department of Defense is, to adjust the men and weapons to the installations that are needed.

I should say in the case of Michigan, because I know it well, there are three SAC [Strategic Air Command] bases up there—Kinchloe, K. I. Sawyer, and Wurtsmith. One of the three was closed. K. I. Sawyer and Wurtsmith were kept open. K. I. Sawyer is up in the Upper Peninsula. Kinchloe is in the Upper Peninsula, it was closed. It is just that you can't keep a base open if there is not a mission for it. It is just that practical.

Now, as I said, these are studies and there is a provision of law that says if a base is closed, the Department of Defense and the Department of Commerce and all of the other departments have to maximize their effort to try and adjust the adverse economic conditions that inevitably result from the closing of a base.

I can assure you if the Defense Department decides that that base ought to be closed, other departments will maximize their efforts to take care of any transitional, unfortunate circumstance to any individuals who were previously employed there.

Q. Unemployment, why is that——

THE PRESIDENT. On unemployment, I said that last March we had 8.9 percent unemployment in the country. At the present time, the unemployment has dropped to 7.5 percent as announced as of yesterday. We have regained in total employment 2,600,000. We had a gain of 375,000 in the month of March alone. We have an alltime employment figure of 86,700,000.

Now, we still have too much unemployment, but the momentum is going in the right direction. We are selling more automobiles, retail sales as a whole are up, industrial orders are up. You are going to find this momentum coming from increased public confidence, so that I think in the months ahead you are going to see more employment and less and less unemployment.

Q. Thank you, Mr. President. You are the first one I have ever seen of our Presidents of the United States of America.

THE PRESIDENT. One more.

TAX REFORM LEGISLATION

[9.] Q. I have a tax-related question for you. In your State of the Union Address you had mentioned that there would be tax incentives for long term investors. I wonder if anything has come about on this or if you could elaborate on it, please?

THE PRESIDENT. Well, in the State of the Union Message I recommended certain specific tax proposals that I thought would be helpful in the area of unemployment. One was that in a geographical area of unemployment where the unemployment was high, 8 percent as I recall, that we would give a special tax incentive for an employer to build a new plant there or to expand or to improve his plant facilities. I think that would have been a better way to get unemployment down than to actually add extra payroll. That is one proposal. The other was to provide for greater opportunity for employees and others to own shares of stock in American industry and give a tax deferral in order to stimulate investment in America's industrial capacity.

Those two proposals and several others are now before the Committee on Ways and Means on which Congressman Bill Steiger serves. I would hope that some of them at least will be approved by the Congress in 1976.

Thank you all very, very much. It has been wonderful.

NOTE: The President spoke at 2:40 p.m. at the Brown County Veterans Memorial Arena.

In his opening remarks, he referred to Bart Starr, general manager and head coach of the Green Bay Packers professional football team, and Mrs. Bart Starr, Gov. Warren P. Knowles of Wisconsin 1964–71, chairman of the Wisconsin President Ford Committee, Melvin E. Laird, U.S. Representative from Wisconsin 1953–69 and Secretary of Defense 1969–73, and Mr. and Mrs. Gary Dilweg, cochairmen of the Brown County President Ford Committee.

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Statement on Trucking Industry Contract Negotiations. *April 3, 1976*

LABOR SECRETARY W. J. Usery has informed me that representatives of the Teamsters Union and the trucking companies have reached tentative agreement on a new contract. I am pleased that they have taken this constructive step.

I want to compliment the negotiators and Secretary Usery for their efforts to work out a settlement through the collective bargaining process.

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Message to the Senate Transmitting the International Coffee Agreement, 1976. *April 5, 1976*

To the Senate of the United States:

I am transmitting herewith, for the advice and consent of the Senate to ratification, the International Coffee Agreement, 1976. In doing so, I am the fourth President since 1962 to seek favorable Senate consideration of an International Coffee Agreement. The 1976 Agreement is similar to those of 1962 and 1968, but it contains a number of innovative features which represent a considerable improvement for consumers. I strongly urge that the Senate give advice and consent to ratification of this Agreement, thus agreeing that the spirit of cooperation, which has characterized the international coffee community these part 14 years, should be continued and strengthened.

Negotiation of the 1976 Agreement began in January of 1975 and continued throughout the year. On October 28, 1975, the Senate unanimously approved the Protocol for the Continuation in Force of the International Coffee Agreement of 1968, as Extended, which allowed the continued existence of the Inter-

national Coffee Organization through September 30, 1976, preserving it as a source of statistical information and as the forum for negotiation of the new Agreement. These negotiations were completed in December and resulted in a greatly improved International Coffee Agreement.

The Coffee Agreement of 1962, and its successor, the Coffee Agreement of 1968, were designed to stabilize the export earnings of producing countries by moderating the traditional boom or bust cycle of coffee production. These Agreements were largely successful in meeting their objectives. Overproduction was brought under control and accumulated surpluses were reduced without a disastrous disruption of the market. At the same time, consumers enjoyed relative price stability. However, the Agreements were not designed to deal with situations of short supply.

The situation the coffee community faces today differs considerably from the situations in 1962 and 1968. Coffee is no longer in surplus, and inventories in both producing and consuming countries are low. On July 17, 1975, the coffee growing regions of Brazil were hit by the most severe frost since 1918, destroying hundreds of millions of coffee trees and thus sharply reducing the productive capacity of the world's largest producer for the next several years. The world faces a period of short supply of coffee. How long this period may last will depend on how well the international coffee community can manage its efforts to restore production and stocks.

The International Coffee Agreement of 1976 was concluded after the Brazilian frost and takes into account our experience in the 1962 and 1968 Agreements. It contains a number of new features designed to deal with the situation we expect to face in the future. The Agreement contains strong new incentives for the early restoration of normal supplies to consumer member markets.

The most important features of the new Agreement are the following:

—The Agreement is intended to stabilize prices within the range of long term market trends and to encourage the restoration of adequate production levels. There are no fixed price objectives.

—Consumers are provided with assurances there will be no restriction on the flow of coffee to the market while prices are high. Thus, the Agreement commences with its export quotas in suspense. Producers have assurances of renewed consumer cooperation should a temporary production surplus reappear. The Agreement should act as a stimulus to producing countries to restore production to levels adequate to meet consumption needs at reasonable prices.

—Those coffee producers who perform best during the next two years will be rewarded with a permanent increase in their basic quotas, which is an additional incentive to ship to the market every available bag of coffee.

—Quotas will go to those countries which have coffee available to ship through a new and more flexible system of annual quota distribution.

—The Agreement is the most generous in its quota allocation to the smallest producers, and allows them the highest growth rates.

Now, as in 1962 and 1968, coffee remains in financial terms the most important non-petroleum commodity exported by developing countries. A large number of developing countries in Latin America, Africa and Asia rely on coffee as a major source of their export earnings. Altogether, 43 producing nations participated in the negotiation of the new Agreement and are expected to join it.

As the world's largest consuming country, coffee is also important to the U.S. In 1974, we imported coffee valued at $1.5 billion. In that same year, we exported agricultural and manufactured products to the coffee producing countries worth over $15 billion. We are good customers of the coffee producing countries, and they are good customers of ours.

We and the other consuming countries have constructed a unique cooperative relationship with the coffee producing countries within the framework of International Coffee Agreements. We have attempted, with a good measure of success, to find constructive solutions to the problems which affect the production and trade of coffee. I strongly urge this mutually beneficial effort as represented in the new Agreement be continued.

I am also transmitting the report submitted to me by the Department of State on the International Coffee Agreement of 1976.

I recommend that the Senate give early and favorable consideration to this Agreement and its advice and consent to ratification. The Secretary of State will submit legislation to implement the Agreement through September 30, 1979.

GERALD R. FORD

The White House,
April 5, 1976.

NOTE: The agreement and accompanying papers are printed in Senate Executive H (94th Cong., 2d sess.).

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Message to the Congress Transmitting Report and Plan for the National Cancer Program. *April 5, 1976*

To the Congress of the United States:

I am pleased to submit to you the report on the activities, progress, and accomplishments of the National Cancer Institute during calendar year 1974, as well as a program plan for the next five years. The Director's Report and the Plan were prepared in accordance with Title IV, Part A, Section 410A(b), Public Health Service Act, as amended (42 USC 286e(b)).

The Administration is pleased to note the progress and accomplishments in cancer research, especially on cancer treatment and detection, and in promotion of the use of cancer knowledge in medical and health practice. A number of centers of cancer expertise have been established across the country. The results of the research and control activities must surely foretell an ameliorating influence on the formidable cancer statistics that face us today.

Our intensified cancer research effort was born of public concern about the problems of cancer, which takes many forms, and it has our continuing support and commitment. The recommendations of the National Cancer Program Plan for substantial increases in funding, expanded research training, and new construction of research facilities must, however, be annually reviewed in the context of limited budgetary resources and other competing demands.

Our national involvement is symbolized by the National Cancer Program. People in Government and in the private sector must share the responsibility in this total effort against cancer. This report and this plan are a mark of our progress toward the ultimate solutions to the problems of cancer.

GERALD R. FORD

The White House,
April 5, 1976.

NOTE: The report is entitled "National Cancer Program, Report of the Director, 1975—United States Department of Health, Education, and Welfare, Public Health Service, National Institutes of Health" (115 pp.).

The plan is entitled "National Cancer Program, 1975 Annual Plan for FY 1977–1981—U.S. Department of Health, Education, and Welfare, Public Health Service, National Institutes of Health, National Cancer Institute" (122 pp. plus appendix).

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Remarks at the Swearing In of Robert Strausz-Hupé as United States Permanent Representative on the NATO Council. *April 5, 1976*

Secretary Kissinger, Secretary Rumsfeld, Ambassador Strausz-Hupé, General Scowcroft, members of the diplomatic corps, ladies and gentlemen:

We have planned this ceremony here in the Rose Garden today in order to emphasize once again the importance that the United States attaches to our friendship and solidarity with our NATO Allies.

For over a quarter of a century, NATO has served as a bulwark of Western defenses. It has successfully deterred aggression against the North Atlantic community. The United States is totally committed to the NATO alliance. It is a cornerstone of our foreign policy—has been and is and will be in 1976—as it has been over a quarter of a century, and as it will continue to be in the future. Secretary Kissinger shares my own very deep conviction for and dedication to the alliance.

The man we have chosen to represent us in this Council exemplifies the strength of our commitment. Robert Strausz-Hupé has had a long and very distinguished career as a scholar, a writer, and a diplomat. Through his writings and his deeds, he has amply demonstrated an understanding of the active, demanding role that the United States must play in the world and the continuing responsibilities we must bear for our collective defense.

Mr. Strausz-Hupé will be reporting to the NATO headquarters in Brussels at a time when, among the allies themselves, there is a new sense of unity and solidarity. Yet, this is also a time when here in our own land there are those who question our military capability and our resolve as a nation. While I welcome open and honest debate about America's role in the world, I can only deplore those actions which tend to mislead not only our own people but our friends and adversaries abroad.

Mr. Ambassador, I ask that you carry from here a personal message from me to our friends in Europe. Tell them in clear and unmistakable terms, the United States today is the most powerful economic and military force in the world, and we shall remain that way. The United States today is totally committed to the NATO Alliance. We have stood firm in the defense of liberty for two centuries, and we shall also always be faithful to that heritage.

And finally, the United States of America today, as in the past, is a true,

reliable partner in the struggle for peace. We are a people who are true to our friends and to our bonds. We take pride in the way that Europe and America have joined to overcome adversity in the past. We shall continue now in building a new era of peace and rising prosperity in the future. To our many allies in Europe and elsewhere around the world, our hand is outstretched with hope and with confidence and with faith in our future together.

Now, let me ask Ambassador Catto to perform the swearing in of our new Ambassador to the North Atlantic Council.

Ambassador Catto?

NOTE: The President spoke at 1:40 p.m. in the Rose Garden at the White House. Ambassador Henry E. Catto, Jr., Chief of Protocol for the White House, administered the oath of office.

In his opening remarks, the President referred to Secretary of State Henry A. Kissinger, Secretary of Defense Donald H. Rumsfeld, and Assistant to the President for National Security Affairs Lt. Gen. Brent Scowcroft.

Ambassador Strausz-Hupé's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 572).

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Remarks Upon Signing the Naval Petroleum Reserves Production Act of 1976. *April 5, 1976*

Secretary Rumsfeld, Secretary Kleppe, Secretary Middendorf, Administrator Zarb, distinguished Members of the House and Senate:

Just over 2 years ago, the Arab oil embargo taught the United States a lesson—that we should not be too dependent upon other nations for our oil supplies. We learned all too well the high price of energy dependence, both in the terms of inflation and lost jobs.

Over a year ago, in my first State of the Union Message, I set forth goals for regaining our energy independence and a comprehensive program for achieving those goals. Shortly thereafter, I submitted to the Congress my comprehensive energy independence plan which contained specific programs to encourage conservation and increase domestic production.

One of my proposals called for development and production of our naval petroleum reserves. This step is especially important because it is one action we can take to get immediate increase in domestic oil production, thereby lessening our dependence on foreign oil.

Accordingly, today I sign into law the Naval Petroleum Reserves Production Act of 1976. This act directs the Secretary of Navy to begin full-scale production from the two petroleum reserves in California, including Elk Hills, and one

from Wyoming. When in full production, these three reserves will provide more than 300,000 barrels of oil per day, which represents about 4 percent of what we now import daily from foreign suppliers.

The new act also makes it possible for production from the naval reserves to contribute directly to the creation of strategic petroleum reserve authorized in the Energy Policy and Conservation Act, which I signed into law December 22, 1975. Once established, the strategic reserve will provide both a deterrent to future embargoes and a significant means to offset the effects of any future supply interruption. The strategic reserve will permit us to have needed petroleum much more readily available in case of an emergency for our Armed Forces and other critical national needs.

The act also redesignates the naval reserve in Alaska as a naval national petroleum reserve to be managed by the Department of the Interior.

This act is a very important step toward reversing our declining domestic oil production, but other steps obviously must be taken. Eighteen major energy proposals still await congressional approval on Capitol Hill. I strongly urge the Congress to move ahead on these additional initiatives, so that as we celebrate our 200th year of independence, we take affirmative action toward achieving energy independence as well.

NOTE: The President spoke at 2:23 p.m. at a ceremony in the Rose Garden at the White House. In his opening remarks, he referred to Secretary of Defense Donald H. Rumsfeld, Secretary of the Interior Thomas S. Kleppe, Secretary of the Navy J. William Middendorf II, and Federal Energy Administrator Frank G. Zarb.

As enacted, the bill (H.R. 49) is Public Law 94–258 (90 Stat. 303).

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Statement on Signing the Naval Petroleum Reserves Production Act of 1976. *April 5, 1976*

IN MY first State of the Union Message more than a year ago, I set forth goals for regaining energy independence for the United States. I also outlined a comprehensive and ambitious national program needed to achieve our energy goals. The first goal is to reduce our growing reliance on imported oil.

We have launched energy programs that are possible within existing authorities, and I have asked the Congress for the additional legislative authority that we must have. My proposed Energy Independence Act of 1975 contained 13 specific programs to encourage energy conservation and increase domestic energy production. More recently, I sent to the Congress proposals dealing with nuclear

energy, investment in energy facilities, and other measures needed to achieve our goals.

One of the original 13 proposals was especially important because it permitted immediate action to produce more oil here in the United States. There are only a very few steps like this that are possible. Generally, it takes 3 years or more to bring new oil production on line. Actions to increase domestic oil productions are critical, because oil imports have grown to the point where they now account for almost 40 percent of the petroleum we are using. We are even more dependent now than we were a little over 2 years ago, when we experienced the disruption of an oil embargo.

I am, therefore, pleased to sign into law today the Naval Petroleum Reserves Production Act of 1976, which puts in place one more element of our program to reduce dependence on foreign oil.

The naval petroleum reserves had special importance when they were established over 50 years ago to guarantee an adequate supply of oil for the U.S. Navy. Today, the reserves have even greater importance to the whole Nation because they can help reduce our dependence on imported oil and help stem the outflow of American dollars and jobs.

This new act directs the Secretary of the Navy to commence a vigorous production program from the three naval petroleum reserves located in California and Wyoming. The act also redesignates the fourth naval petroleum reserve in Alaska as a national petroleum reserve and transfers the jurisdiction to the Department of the Interior in June 1977. Production from the Alaskan reserve is not authorized at this time, but the act specifically calls upon the President to submit a development plan and appropriate legislation to the Congress. Work has already begun on those measures.

The new act also makes it possible for production from the naval reserves to contribute directly to the creation of the strategic petroleum reserve, authorized in the Energy Policy and Conservation Act which I signed on December 22, 1975. Once established, the strategic reserve will provide both a deterrent to future embargoes and a significant means to offset the effects of any future supply interruption. The strategic reserve will permit us to have needed petroleum much more readily available in the case of an emergency for our armed services and other critical national needs.

When in full production, the three naval petroleum reserves in California and Wyoming will provide more than 300,000 barrels of oil per day. The development and production of Naval Petroleum Reserve No. 1 in Elk Hills, California, will make the biggest contribution.

The U.S. share of this production, about 80 percent, may be sold at auction, and up to 25 percent of that amount could be set aside for sale to small refiners. At the President's discretion, all or part of the U.S. share may be used to build up the strategic petroleum reserves. The act authorizes use of revenues from the sale of petroleum for work on the naval petroleum reserves, for the national reserve in Alaska, and for the strategic petroleum reserve.

This act is an important step toward reversing our declining domestic oil production, and it is another sign that we are making progress. Four of my original 13 proposals were included in the Energy Policy and Conservation Act which I signed into law on December 22, 1975.

The Congress still has before it 17 major energy proposals, including those remaining from the original 13 I submitted in January 1975 and others I have submitted since then. We need those measures to conserve energy and to increase domestic production. Congress must act on those measures so that we can achieve our national goals for energy independence.

300

Remarks Upon Signing a Proclamation Designating May as Older Americans Month. *April 5, 1976*

Secretary Mathews and distinguished guests:

It is especially fitting this year that we set aside a period to honor our older citizens. Their insight and experience, their wisdom and their courage has contributed beyond measure to the development of our 200-year-old Nation. We must make it possible for older Americans to continue their involvement in our national life.

One of the best ways we can draw upon their strengths and skills is in the job and volunteer market. Too often, older and even middle-aged Americans are the victims of myths and prejudices regarding their capabilities. Americans must repudiate these myths and prejudices, as we have repudiated others, and assure our older Americans the chance to prove that time has only enhanced their demonstrated abilities.

It is important that our Nation makes every effort to recognize the worth and the dignity of our older citizens. To this end, the Federal Council on Aging has prepared a Bicentennial Charter for our older Americans. This charter sets forth principles to guide us in evaluating our Nation's response to the

problems facing older persons and in appreciating the response to the problems now confronting our Nation.

One of these principles is the right to an adequate standard of living in retirement. Let me reaffirm that older Americans have earned the right to live securely, comfortably, and independently.

As I have said before, the value of our social security system is beyond question. I will do all that I can to ensure the integrity of the Trust Fund, so that future generations of retirees may continue to rely on it.

With these thoughts and commitments in mind, I am happy today to join in this annual proclamation designating May as Older Americans Month. I urge all organizations concerned with employment and volunteer services to observe this month with ceremonies, activities, and programs designed to increase opportunities for older persons, and I urge that such programs include public forums for discussion of the Bicentennial Charter for Older Americans.

I ask all Americans to join me in reflecting upon the achievements and the needs of our older citizens.

NOTE: The President spoke at 3:06 p.m. at a ceremony in the Rose Garden at the White House. In his opening remarks, he referred to Secretary of Health, Education, and Welfare David Mathews.

301

Remarks Upon Signing Rural Development Legislation. *April 5, 1976*

Secretary Butz, distinguished Members of the Congress:

Let me welcome you all here today for the signing of H.R. 6346, which extends the authority for certain rural development and research and development activities through fiscal year 1979. Most importantly, however, another section of this bill exempts custom combine operators, hay harvesters, and sheepshearers from the Farm Labor Contractor Registration Act.

I am only sorry that my good friend Bob Dole is not able to participate in this ceremony. I know he would like to have been here with the other Members of Congress since he, along with others, led the effort to clarify the Farm Labor Contractors Registration Act. I understand that failure to change this act could lead to very severe hardship for the custom combine operators, as well as others.

Since the Farm Labor Act was intended to protect unskilled migrant farm

laborers, not the more skilled workers exempted today by the legislation that I am signing, I think this one exemption makes a great deal of sense.

I am committed, as I think all of the Members of Congress know, to reducing and resisting regulation in areas such as this where it is not needed or, certainly, is not appropriate. So, it is a privilege and a pleasure for me to sign this legislation and to provide this exemption, which I think is badly needed in the field of agriculture.

NOTE: The President spoke at 2:57 p.m. at a ceremony in the Rose Garden at the White House. Prior to his remarks, he met in the Cabinet Room with officials of the Kansas Farm Bureau, who attended the ceremony.

In his remarks, he referred to Secretary of Agriculture Earl L. Butz and Senator Robert Dole of Kansas.

As enacted, H.R. 6346, is Public Law 94–259 (90 Stat. 303).

302

Remarks at the Biennial Congressional Dinner of the American Hellenic Educational Progressive Association. *April 5, 1976*

Thank you, Mr. Chairman, Mr. Minister, Mr. Ambassador, Members of Congress, distinguished guests, ladies and gentlemen:

Mr. Chirgotas, it is a great privilege for Betty and myself to be here with the AHEPA family this evening. And it is a very special pleasure for me to greet you and, through you, more than 65,000 active members of AHEPA, including the Daughters of Penelope, Sons of Pericles, and the Maids of Athena on your 22d Bicentennial [Biennial] gathering in the Nation's Capital during our Bicentennial Year. And I thank you for warmly welcoming Betty and myself.

If memory serves me correctly, I have attended 14 out of the 22 meetings you have had here in Washington, D.C. I think that is a better record than many in the audience. [*Laughter*] But every year it has been great, and it is delightful for us to be back.

Last year, I met with Bill Chirgotas and your other officers at the White House. And just about 2 years ago, I had the honor of addressing you as Vice President. I congratulate Bill on his reelection this year as supreme president of AHEPA.

You know, I have been a member of AHEPA myself for more than a quarter of a century, and I am darned proud of it. I have felt Greek in spirit, if not by ancestry, for a good many years since I first studied the glorious history of Greece. Furthermore, Americans of Greek heritage have occupied a very special place in my life.

Who can ever forget their first regular-paying job? My present job is very

important to me, but so was my first job. It was given to me when I was in South High School, in Grand Rapids, Michigan, by Alex Dumar, a distinguished AHEPA member of longstanding. Alex and I were reminiscing about it this afternoon in the Oval Office. I told him the pay was a lot less, but the hours were a lot better than I have now. [*Laughter*]

But Alex, let me say the pay was good for those days, but that friendship which began almost 50 years ago was far, far more important than the compensation.

Tonight, we celebrate your 54th year of service to America. I am naturally very pleased and proud that Betty will be honored by the Daughters of Penelope's annual Salute to Women's Award. All of you know Penelope was renowned for faithfully waiting at home for her wandering husband to return from the wars. [*Laughter*] Now, Betty used to do that—[*laughter*]—but lately, when I return from campaigning, I find that she is on her way out the door to campaign for me someplace else. [*Laughter*] And I am delighted that she got back tonight in time for AHEPA to reunite us.

And I am also delighted to learn that AHEPA's highest honor, the Socratic Award, will be bestowed at a later date upon one of the Western World's most distinguished statesmen, Prime Minister Constantine Karamanlis of Greece.

It was my very great pleasure and honor to meet twice with Prime Minister Karamanlis in 1975, and I am very much looking forward to our next meeting. During our extensive and wide-ranging conversations last year, I reaffirmed with him the very great importance the United States attaches to close and harmonious relations with Greece. I also expressed my admiration for the action he has taken to strengthen democratic government in Greece and to find peaceful and just solutions to the difficult and complex problems in the eastern Mediterranean area.

As President, my policy towards Greece is a policy of positive action based on the many interests we share bilaterally on our important ties as allies, and on the very great ties of friendship and kinship between our peoples. This is my policy, this will continue to be my policy, and I am delighted to have this opportunity to reaffirm it here tonight.

And I am supremely pleased and very delighted that you are honoring my former colleagues in the House and Senate with Bicentennial Socratic Awards this evening. In spite of what you may have heard, we still get along together—most of the time. [*Laughter*]

I will always have, I think, as they know, great love and the most respectful honor as far as the legislative branch of our National Government is concerned. I spent 25-plus years there, and no one can spend a quarter of a century without

having love and affection and respect for 535 honored Members of the legislative branch of our Government.

Back in the difficult days after World War II, when I first entered political life, my mentor and hero was the late Senator Arthur Vandenberg of Grand Rapids, Michigan. Some of you will, I am sure, remember how Senator Vandenberg, a Republican and a former isolationist, stood shoulder to shoulder with President Harry Truman in the great challenges that faced the country in that postwar era, particularly, in the threat to freedom and independence of Greece. With such strong, bipartisan support, our foreign policy over the last 30 years has prevented a third world war and enabled us to celebrate our 200th Birthday as a nation, in peace and freedom.

Your biennial meeting in Washington this week also reminds us of the great contribution Greeks and Americans of Greek descent have made to the development of the United States of America. Greeks were among our earliest settlers in 1767, just 9 years before the signing of the Declaration of Independence. Greek immigrants settled in the southeastern portion of this country where one city still bears a distinctly Greek name—New Smyrna, Florida.

For the past 54 years, AHEPA has taken on the important role of interpreting Greece to America and America to new men and women and children of Greek heritage seeking a new start, a new beginning in the United States.

From the time of New Smyrna to the present, hundreds of thousands of Greeks have come to this country. They and their descendants, through hard work, great sacrifice, have become wonderful citizens and made a tremendous contribution to a better way of life in the United States. Greek names are honored in virtually all walks of life—in government, commerce, in business, in the arts and sciences, medicine, theater, sports, and many, many others.

We now mark the beginning of our third century as an independent nation, as well as the 200th anniversary of the American Revolution. For two centuries, our Nation has grown, changed, and flourished. A diverse people drawn from all corners of the Earth have joined together to fulfill the promises and the challenges of democracy. The Bicentennial offers each of us the opportunity to join with our fellow citizens in honoring the past and preparing for the future.

In this period, AHEPA can reflect with pride and satisfaction on what Greece and Greek Americans have given to this country. Your achievements not only perpetuate the glory that was Greece but your patriotism and pride in America will also perpetuate the glory that is America, a land in which the noblest ideals

of democracy live and flourish for the hope and for the future of all the peoples of the world.

Thank you very much.

NOTE: The President spoke at 10:17 p.m. in the Jefferson West Room at the Washington Hilton Hotel.

303

Letter to the Speaker of the House on Foreign Assistance Appropriations Legislation. *April 6, 1976*

Dear Mr. Speaker:

In my letter of March 29, 1976 to the House and Senate Conferees, I stated my strong objections to the Senate action adding nearly $800 million in program terms to the budget for Foreign Military Sales credits and Security Supporting Assistance for the Transition Quarter for Israel, Egypt, Jordan and Syria, since in my view these funds are not needed to meet the essential needs of the recipients. This position was only taken after the most careful review and analysis.

As you know, this Administration is firmly committed to the security of the State of Israel, and also to providing constructive economic assistance to Egypt, Jordan and Syria. However, the FY 76 and FY 77 budget levels were designed to meet these purposes on an austere basis without any funding in the Transition Quarter.

It is natural that the recipient governments would like to receive financial support at a higher level than provided in the Administration's request. I am aware also that it has been argued that the United States should fund through security assistance any budget deficit which governments might incur as the result in part of acquiring military equipment from the United States. However, it should be obvious that any such proposals are completely infeasible, since the United States is in no position to control every aspect of another government's budget spending. Security Assistance is intended to provide military and economic funding to ease the pressure on friendly governments in meeting their legitimate security needs. It never has been nor should be intended to meet every budgetary deficit or foreign exchange shortfall which another government may incur and no such commitment has been made.

Specifically in the case of Israel, my FY 76 and FY 77 budget requests provide sufficient levels of assistance to meet that nation's needs. Our most careful analysis indicates that the levels provided in the FY 76 and 77 requests

for FMS are adequate to enable Israel to maintain its security. Our previous estimates of this need have been carefully rechecked and reaffirmed.

At a time when our own country's budget pressures are very great, when our nation faces many other urgent and pressing program needs and our own deficits for FY '76 and the Transition Quarter are already too large, I cannot justify more funds than have been included in my budget request.

Therefore, if I am presented with a final appropriation bill that includes additional funds for the Transition Quarter, I will be forced to exercise my veto—an alternative which could seriously disrupt our efforts to assist our friends and allies in maintaining their security and development growth efforts. I naturally hope that the House will not make necessary such a course of action, but will instead reach the only responsible conclusion.

Sincerely,

GERALD R. FORD

[The Honorable, The Speaker, House of Representatives, Washington, D.C. 20515]

304

Remarks at Dedication Ceremonies for the Lyndon Baines Johnson Memorial Grove on the Potomac River. *April 6, 1976*

Thank you very much, Mr. Secretary, Mrs. Johnson, Lynda, Luci, Chuck, Mr. Vice President, my friend and former colleague in the House of Representatives, George Mahon, distinguished guests, and friends all of Lyndon Johnson:

I really welcome this opportunity today to join in the ceremonies honoring a good friend and a great American patriot.

It is entirely fitting that in this city of bronze and marble monuments, we choose to remember Lyndon Johnson with a living memorial of pines here along the banks of the Potomac. Lyndon Johnson and his dear wife, Lady Bird, were ardent conservationists in the spirit of Teddy Roosevelt, whose own memorial stands among a grove of trees very nearby.

Washington, D.C., has not always been kind to the needs of the environment. During his Presidency, Lyndon B. Johnson worked hard to respond to those needs in a more sensitive way. His goal, he once said, was to leave to future generations a glimpse of the world as God really made it, not as it looked when we got through with it. This grove of pines helps to fulfill Lyndon Johnson's dreams for America.

Standing here and looking out over the vista of our Capital, I believe this memorial also helps to capture something else, something more—the excitement and the inspiration that moved Lyndon Johnson when he first came to Washington, D.C., fresh from teaching school, to begin work in a Congressman's office.

From this vantage point, visitors can absorb the city as a whole, including the Capitol and the great monuments to Washington, Lincoln, and Jefferson, before visiting the shrines of America's democracy in this great Capital.

I would especially urge young people to come to this spot to ponder the site that has quickened the pulse of many young Americans starting out on their careers in government, just as it did for Lyndon Johnson. It is the very heart of democracy that fresh, vital ideas continue to be infused into the body politic.

No doubt young people must do their own thing, but I would say to them, as Lyndon Johnson often said, "Consider serving your Nation and Government, whether at the local, State, or Federal level." Let this place, this living memorial to a life devoted to public service, be the inspiration for such a decision.

Let me add one word of thanks, thanks from Betty and myself, to express the gratitude of the Nation to a great and gracious First Lady, Mrs. Johnson. We all know of her tireless efforts on behalf of a more beautiful America, and in large measure she made this spot come alive with nature's blessings. Her work for beautification all across the land, as well as for perennial springtime beauty in the Nation's Capital, has changed the face of America for a better place.

I, along with many others in the House as well as in the Senate, had an opportunity to work with Mrs. Johnson in the formative stages of this memorial grove. To all of those who played some part in its conception as well as its implementation, this dedication today is a dream become reality. And it is a very fitting tribute not only to the former President but to his First Lady to whom we all owe so very, very much.

NOTE: The President spoke at 11:30 a.m. at the Lyndon Baines Johnson Memorial Grove, the official national memorial to President Johnson, located in Lady Bird Johnson Park. In his opening remarks, he referred to Secretary of the Interior Thomas S. Kleppe, Lady Bird Johnson, widow, Lynda Johnson Robb and Luci Johnson Nugent, daughters of the former President, and Charles S. (Chuck) Robb, Lynda's husband.

305

Veto of the Child Day Care Bill. *April 6, 1976*

To the House of Representatives:

I am returning without my approval, H.R. 9803, a bill which would perpetuate rigid Federal child day care standards for all the States and localities in the Nation, with the cost to be paid by the Federal taxpayer.

I cannot approve legislation which runs directly counter to a basic principle of government in which I strongly believe—the vesting of responsibility in State and local government and the removing of burdensome Federal restrictions.

I am firmly committed to providing Federal assistance to States for social services programs, including child day care. But I am opposed to unwarranted Federal interference in States' administration of these programs.

The States should have the responsibility—and the right—to establish and enforce their own quality day care standards. My recently proposed Federal Assistance for Community Services Act would adopt this principle, and with it greater State flexibility in other aspects of the use of social services funds available under Title XX of the Social Security Act.

H.R. 9803 is the antithesis of my proposal. It would make permanent highly controversial and costly day care staff-to-children ratios. And it would deny the States the flexibility to establish and enforce their own staffing standards for federally assisted day care.

This bill would not make day care services more widely available. It would only make them more costly to the American taxpayer. It would demand the expenditure of $125 million over the next six months, and could lead to $250 million more each year thereafter.

H.R. 9803 would also specify that a portion of Federal social services funds be available under Title XX of the Social Security Act for a narrow, categorical purpose. In the deliberations leading to enactment of Title XX, a little over a year ago, the States and the voluntary service organizations fought hard to win the right to determine both the form and the content of services to be provided according to their own priorities. This bill would undermine the Title XX commitment to State initiative by dictating not only how day care services are to be provided, but also how they are to be financed under Title XX.

It would introduce two additional Federal matching rates for some day care costs that are higher than the rates for other Title XX-supported services, thereby further complicating the States' administration of social services pro-

grams. My proposal would, on the other hand, eliminate State matching requirements altogether.

Moreover, H.R. 9803 would create an unfair situation in which some child day care centers would operate under a different set of standards than other centers within the same State. Those day care centers in which fewer than 20 percent of those served are eligible under Title XX could be exempt from Federal day care standards. This provision would have the probable effect in some instances of reducing the availability of day care services by encouraging day care centers to reduce the proportion of children in their care who are eligible under Title XX in order to meet the "quota" set by H.R. 9803. In those centers not choosing to take advantage of this loophole, the effect could well be to increase day care costs to families who use these centers on a fee-paying basis. In effect, they would be helping to subsidize the high costs imposed on day care providers serving Title XX-eligible children.

There is considerable debate as to the appropriateness or efficacy of the Federal day care standards imposed by H.R. 9803. In fact, the bill recognizes many of these questions by postponing their enforcement for the third time, in this case to July 1 of this year. Fewer than one in four of the States have chosen to follow these standards closely in the administration of their day care programs. The Congress itself has required by law that the Department of Health, Education, and Welfare conduct an 18-month study ending in 1977, to evaluate their appropriateness.

Rather than pursue the unwise course charted in this bill, I urge that the Congress extend, until October 1, 1976, the moratorium on imposition of Federal day care staffing standards that it voted last October. This would give the Congress ample time to enact my proposed Federal Assistance for Community Services Act, under which States would establish and enforce their own day care staffing standards and fashion their social services programs in ways they believe will best meet the needs of their citizens.

GERALD R. FORD

The White House,
April 6, 1976.

NOTE: The House of Representatives overrode the President's veto on May 4, 1976. On May 5, the Senate sustained the veto.

306

Remarks at a Reception for Members of the National Alliance of Businessmen. *April 6, 1976*

Thank you very much, Carl and John Condon and Mr. Skutt, members of the National Alliance of Business:

It is always a pleasure to get together with this organization and to welcome you to Washington and, particularly, to welcome all of you here to the White House, in the East Room.

From the many meetings that I have had with this group and with individuals from the group, I can say again, and say it with conviction, that I am particularly proud of the fine work that you have done and particularly at a time when we are all so concerned about finding more and more jobs for American men and women.

The administration—I don't have to tell you, either—is fully aware of the fact that the economy of the Nation during the past year has not made your task one bit easier—that of placing Vietnam veterans, the handicapped, the disadvantaged in jobs in the private sector, where they have had the greatest opportunity to enlarge their capabilities, their opportunities, and their natural talents.

I think we all recognize that people will always be America's greatest, single resource, and people working in rewarding, permanent, meaningful jobs are the country's greatest strength and the assurance of future progress and prosperity.

This organization has formed a very unique partnership with American business, American labor, and American government to accomplish your goals. And the success of your efforts shows that this can happen when combinations such as these work together. The millions and millions of jobs that you have found all over the country for men and women in the United States must make you deservedly proud, and let me say I applaud you wholeheartedly for it.

I looked at the records before coming over here and found that the NAB has found jobs for 4.5 million disadvantaged adults, Vietnam veterans, ex-offenders, and disadvantaged youths. I think that is a tremendous record. I just hope and trust that the American people appreciate it. I can assure you that I am extremely grateful.

And what also makes it significant is, since the inception of the summer youth placement program, which also started in 1968, 1,475,000 young people have found work through your efforts. This coming summer I am told that your goal or your objective is another 200,000 youths for your placement program. This is an unbelievable, an excellent way to help guarantee that our disadvantaged youths won't grow up to be disadvantaged adults.

So, let me take this opportunity to thank you and the many thousands of others associated with your organizations who have really made this program work. You have made an invaluable contribution for the betterment of all America.

I think it is also encouraging to note—and you probably know it as well as myself—we have had a very steady improvement in the economy, and that is a relief to each and every one of us. But it must be particularly gratifying to all of you, gratifying to know that more Americans are working now than ever before in the history of the United States—86,700,000, an alltime record—gratifying also to you as well as to myself, that we gained 375,000 more jobs in the month of March alone; and gratifying to you as well as to myself, to know that the jobless rate dropped again, in the report that came out last Friday, to 7.5. Now, that is not good enough, but it is a substantial improvement over what it was less than 12 months ago.

But the principal task for all of us—it continues to be the creation of meaningful, rewarding, and permanent jobs for more and more Americans. And I am delighted to have an opportunity to say to you directly that this administration will work with you wholeheartedly to achieve that objective.

Now, the fact that spring is brighter, far brighter this year than last year, is in no small way, in my judgment, due to the efforts that many of you here and literally thousands associated with you have accomplished over this period of hard-going for this country. I think it also depends upon your devotion to and dedication to the free economy that has been the backbone of America from its inception.

As a result of what you have done, your dedication to it, your belief in it, I expect you to pay the price for having done the job so well. I am asking you to keep on doing it. And I know, and I think you also know, that next year America will be even stronger because of your determination, because of the pride that you have shown in the job that you have done, because of the success that has been achieved and accomplished. And if we come back here next year—and I hope we are all here—[*laughter*]—we can say that April of 1976 was good, but April of 1977 will be even better.

Thank you very, very much.

NOTE: The President spoke at 5:11 p.m. in the East Room at the White House. In his opening remarks, he referred to Carl E. Hartnack, 1975 chairman, John P. Condon, past president, and V. J. Skutt, chairman, National Alliance of Businessmen.

307

Telephone Conversation With Warren P. Knowles, Wisconsin President Ford Committee Chairman, on the Wisconsin Primary Election Results. *April 6, 1976*

WARREN, Betty and I are sitting here. We just heard the very, very good news of 56–43, a very fine lead not only in numbers but very encouraging news on the delegates. And we wanted to call and thank you and thank all of the wonderful workers who helped and assisted and express our deepest personal appreciation.

WARREN P. KNOWLES. Mr. President, we are here with about 300 of the volunteers in the Marc Plaza awaiting the final returns, and while there is a good showing at the present time, I have never counted my chickens before they are hatched.

We do want to say to you and to Mrs. Ford that we are so appreciative of the fact that you did come to Wisconsin and give such a lift to all of us during the final stages of the campaign. It was a tremendous boost, and both you and Betty did just super jobs. We also want to say that your brothers, Jack and Tom, were just wonderful when they were here with your friends from Grand Rapids, Michigan. And Jack's [1] efforts, too, were very much in evidence on the college campuses.

All in all, it was a real team effort and, Mr. President, we want to pledge to you, regardless of how this comes out, we are going to be in Kansas City, and we are going to see you through to victory in November.

THE PRESIDENT. Warren, that wonderful applause kind of gives me goose bumps because you know Betty and the kids and my brothers and others from home helped, but it was your leadership and all of those great people all across the State of Wisconsin that put in time on phone banks, that did all of the other hard chores that put it all together. And I don't know of any group that we have worked with who have done a better job. They have all, from the beginning to end, under the kind of leadership you have given and the kind of support they have given to our family—well, it just gave us the inspiration to come out there and work like the devil, which we did.

[1] Jack Ford, the President's son.

But it was a great privilege and pleasure for us to work with all of you. Those meetings we had in La Crosse and West Bank (Bend) and Green Bay and Milwaukee, and I guess Betty had a great time in Madison, it was just a great experience for us, and we are very, very thankful. And we will see you in Kansas City, and we are going to win.

MR. KNOWLES. You bet we are, Mr. President. As an old football player, you will be interested in a columnist who was very famous in Wisconsin whose name was Roundy Coughlin, and he used to say, "Don't believe all those clippings that you read in the papers. It is the touchdowns that count between 2 and 4 on Saturday afternoon."

THE PRESIDENT. That is right.

MR. KNOWLES. So let's carry that ball over the goal line, and as Bart Starr [2] says, "We have a great quarterback and we are not switching the winning team."

THE PRESIDENT. Warren, Betty and I can't be there in person, but believe me, we are there in spirit, and the spirit of all of you just makes us feel great. Again, thank you all. We appreciate it to no end because we knew we had some problems, but we were right, and we had all the kind of teamwork that made the difference. So, give them all our very best from Betty and from me.

MR. KNOWLES. Thank you very much for calling, Mr. President, and good luck in New York and throughout the remainder of the campaign.

THE PRESIDENT. Okay, Warren. Give my best to everybody.

NOTE: The President spoke at 11:15 p.m. from the White House.

308

Remarks and a Question-and-Answer Session at a Meeting With Businessmen from Western Michigan. *April 7, 1976*

GOOD MORNING, everybody.

I have seen Bob for the last hour and a half in one of our biweekly leadership meetings with the Democrat as well as the Republican leadership. And, of course, Bob is one of the top leaders in the Senate. We have been arguing—not Bob and myself—[*laughter*]—but we have been discussing a few other things with some of our friends.

[2] General manager and head coach of the Green Bay Packers professional football team.

Wednesdays, for the last several months, have been days of looking over what happened on the previous day, and I can say that this Wednesday made us very encouraged. We got some excellent news from Wisconsin. We got all 45 delegates, every one of them. We got approximately 55 percent of the vote. Obviously, this gives us a big lift.

We also had an election in New York State. But in New York State, it wasn't a head-to-head confrontation. The delegates can, if they wish, be committed. But the State organization in New York on the Republican side wanted to have an uncommitted delegation. There were some of my opponent's delegates who ran. As I recall, they picked up 3 out of 154. The uncommitted delegation, headed by the State organization, is an outstanding organization. We have excellent relations with them, so I believe we will get a fair percentage of those uncommitted delegates which, added to our previous numbers, will be very significant.

And, of course, when we go to the next primary, which is Pennsylvania, I am entered, my opponent is not entered. And Pennsylvania has 104 delegates, as I recollect, so I think we will do quite well in Pennsylvania.

Then we have a couple of convention States that meet this week—Mississippi and South Carolina. We are in there pitching. We are hoping to do well, although we recognize there are some problems.

But then we go to Texas, and I am going down there Friday and Saturday. Again, I think we have got some difficulties, but we are going to make an all-out effort. I think we have a good many friends in Texas. We have some excellent delegates, and in Texas it is not one against another. It is again a case of where the delegates run, representing one candidate or another.

I think yesterday was awfully good news. It gave us a lift, and when we get to Kansas City, I think we will do all right—in November, too.

But now, let's talk about some of the things that are of deep interest to all of you in Michigan. I want to thank Bob Griffin for the wonderful help he has given me, not only politically but also in helping on some of the most controversial and difficult problems we have had on Capitol Hill. Bob has been a tower of strength not only to me but I think to the country. And I thank him for myself, but also for the country. You do a great job.

All of us here, and you, of course, in Michigan, are deeply concerned about where we are going on the economic front. For the last 2 months, we have had continuous good news. We have had good results in the inflation area. The Wholesale Price Index for the last 5 months has had no movement upward. When you average it out, it has been flat.

The Consumer Price Index is also moving decisively in the right direction. When you consider that 19 months ago we had over a 12 percent rate of inflation, now the rate of inflation is 6 percent or less. I think that trend is going to continue, and we are certainly going to keep the pressure on it.

When you look at employment, the figures we got last week were extremely encouraging. In the month of March alone, nationwide, 375,000 more people were gainfully employed. If you look at the add-ons to employment, from the depths of the recession last spring to the present time, we have added 2,600,000 more people gainfully employed. And if you look at the overall figure that was released last Friday, we had 86,700,000 gainfully employed, the most gainfully employed in the history of the United States.

Now, we still have unemployment that is too high, and I know in Michigan we have problems, as we have in several other States. But the trend is in the right direction. More people will be gainfully employed, unemployment is going down, and as we continue to get this consumer confidence moving, I think you are going to see these figures do even better than some of the experts forecast.

You people know better than I that the automobile industry is doing far better than they anticipated, not as well as we would like, but the trend again is in the right direction. With consumer confidence coming back very strongly, I think we can see nothing but increasingly brighter clouds every month.

Now, I will be glad to answer any questions, if you have any questions.

Q. The weather was good in Grand Rapids this morning when they left. [*Laughter*]

THE PRESIDENT. Well, a lot of people from Grand Rapids went over to Wisconsin last week and were very helpful, and we appreciate it. It had a good reaction. I understand Betty went out there and participated, and Tom and Dick also were there. Our son Jack went there last week and did very well. So between what the family does and friends do, I am doing all right. [*Laughter*]

I think there is another matter that I would like to say a word or two on. Some critics have indicated that the United States is not adequately prepared to meet any challenges militarily. That is a totally inaccurate statement.

The United States is unsurpassed in military capability, and when you add to that strong military strength that we have—Army, Navy, Air Force, and Marines, which I repeat is unsurpassed by any nation in this world in which we live—if you add to that our tremendous industrial capability, which is far stronger than any other nation in the world, when you add to that the tremen-

dous productivity of our agriculture—5 percent of our people produce far more food and fiber than we can possibly eat or wear, we are the breadbasket of the world. No other nation can compete with us in agricultural productivity. When you look at our scientific and technological capability, which is again an instance where the United States is at the pinnacle, and when you add in one other ingredient—I happen to believe that the United States is morally, spiritually, and religiously also at the top.

So, this package of military capability, industrial might, agricultural productivity, scientific and technological capability, plus our moral and spiritual and religious strength—the United States is number one by any standard. We should be proud to be Americans, and we should be proud of America.

Q. The people in Grand Rapids are asking when you are coming home. [*Laughter*]

THE PRESIDENT. We are going to Texas this Friday and Saturday, and we will be going to several of the other States where there are primaries between then and the Michigan primary. But don't worry, we will be back home.

Q. Dick Vander Veen was running for Congress, and he said he was going to go to Washington, and he would like to support you. Are you satisfied with the support you have been getting?

THE PRESIDENT. I think there could be some improvement. [*Laughter*]

Q. Do you feel the Teamsters settlement was inflationary? I asked Bill [1] that question, and he couldn't answer it. [*Laughter*]

THE PRESIDENT. I can't imagine Bill having any difficulty answering it. [*Laughter*] He and I haven't checked signals this morning, but I think from the economic advisers, including Bill, the settlement was within the parameters of what we thought would be a defendable agreement.

I am sure the management people would have liked to have had it less, and whether or not the Teamsters are totally satisfied will be determined by the votes in their respective conferences. But as we look at the package, on the basis of the facts we have available, I think it is within the parameters of a good settlement.

Now, we don't want to interfere with approval by the Teamsters. That is a decision for them to make. But from the economic point of view, we think it is a settlement that does fit into our overall economic plans and forecasts for the next 3 years.

I think you have to also, however, leaving aside the details, turn over the coin and see what adverse impact it would have had if we had had a prolonged

[1] William Seidman, Assistant to the President for Economic Affairs.

strike. And that, of course, would have been a serious impediment to any economic recovery, as we are now seeing throughout the country. I hope that is what Bill said.

Q. He did. [*Laughter*]

THE PRESIDENT. Yes, sir.

Q. Will the trucking industry automatically receive a freight rate increase?

THE PRESIDENT. It is my understanding that some of the trucking industry has asked for an 8-percent freight rate increase. And after the settlement they have now gone to the ICC and asked for a 6-percent freight rate increase. So, it must appear to them that they did reasonably well.

I can't tell you what the ICC will do because that is an independent agency, or independent commission. But the withdrawal by themselves of a 2-percent lesser figure in a freight rate increase does signal something to us. But it is up to the ICC to make any judgment on it.

Q. The ICC has the authority to do that?

THE PRESIDENT. Oh, yes, they have the authority, as I understand it, to deny it if they want to. And I presume, therefore, they could do anything up to the 6 percent. Isn't that right, Bill? That is the way I understand it.

Q. Mr. President, after Jimmy Carter's win in Wisconsin yesterday——

THE PRESIDENT. I thought Mo Udall [2] won as of 11:30 last night. [*Laughter*]

Q. So did I, but apparently they changed their minds. Do you see him as your opponent this fall?

THE PRESIDENT. He certainly has tremendous momentum going, and if I had anything to do with the Democratic Party process, I certainly would look upon him as a very strong contender for their nomination.

On the other hand, I still stick with what I have been saying for the last year or year and a half, that I think Hubert Humphrey will end up being their nominee.

Q. Is that in any way a comment on the political system that is working within, apparently, the Democratic Party, that you go through primaries and have the primaries point to one man and then have the simple historical and political tide select another? How would the American people feel about the overall selection process in terms of the candidates they have presented?

THE PRESIDENT. That is the way the Democrats might do it. [*Laughter*] We in the Republican Party do it differently. We fight it out, and I guess we will fight it out right down to Kansas City. So, the American people won't have any

[2] U.S. Representative Morris K. Udall of Arizona.

problems about any backroom, smoke-filled room negotiations. It will just be pure mathematics, and I think we look very encouraging.

Q. Mr. President, I am for the private postal system, and with some of the continuing U.S. postal system problems, I would like to know what you think of the private postal system's role in today's mail being carried?

THE PRESIDENT. The present problems we have with the Postal Service are some of the most perplexing that, frankly, I face domestically. We had a political patronage system for 170 or 180 years. Politics was rampant in the Post Office Department. Career people had little or no opportunity to ever achieve top positions in the Post Office Department. The delivery of the mails under that political patronage system was deteriorating very rapidly.

Now, we went to the Postal Service. Everybody recognized that it would take a period of time to get rid of politics and run the Post Office Department as a business. The transition has taken longer than any of us wanted, but I think they are making headway.

Now we are faced with at least three bad alternatives at the present time, because the transition has not been as rapid as we wanted it. The Postal Service wants a substantial additional increase from general revenues. They are now subsidized to the tune of about a billion dollars a year. And as I understand it, the head of the Postal Service is talking about another billion dollars, making a $2 billion subsidy in a 12-month period. Those of us who have to guard with great caution and care the expenditure of moneys from general revenues are deeply concerned about that.

The other alternative is to cut back service, get rid of some of the uneconomic postal stations, services. And, of course, we get—not we, because it is an independent agency—the Postal Service is getting a good many complaints about any reduction in service, even though economically they can prove beyond any doubt that it ought to be discontinued. So, that is an alternative that has some peril.

The other is to increase postal rates. They went up—what was it, January 1—from 10 to 13 cents for first class. That raises questions. At the moment, the alternatives all look bad.

Let me give you one sign, however, that I think is indicative of an improving management process there. When the Post Office Department ended its career, when the political patronage was eliminated, the Post Office Department had roughly 800,000 employees. At the present time, they have roughly 700,000. So, they have made substantial progress in trying to lower their personnel numbers

and, of course, their cost. So, it isn't all bad. It just hasn't moved as rapidly and as effectively as I think most of us want.

Now to get to your question, how about letting private industry move into it as a competitor? I am told that if private industry went into major metropolitan areas—where they would go because that is where the concentration of mail users are—it would take the cream off of the business. And maybe they would do all right, but then the Postal Service would have lost a great deal of its revenue. And all of these uneconomic services that the Post Office Department renders in rural areas and small towns—the cost to the Federal Treasury would be far greater.

So again, it is a tough problem how to balance what is good for service, management, and revenues. It is a very perplexing problem. We are working on it. We have a serious study going on with the Office of Management and Budget, as well as with the Postal Service.

Q. Mr. President, would you care to comment on the future of Henry Kissinger since your campaign manager had some comment on that?

THE PRESIDENT. Well, I thought that the results in Wisconsin certainly fully justified my faith in Henry Kissinger. That was an issue in Wisconsin, because my opponent made it an issue. I fully defended our foreign policy. We are at peace; we are strong; we are meeting every challenge. And the people in Wisconsin believed what we said, and they were supportive of our foreign policy.

So, as far as I am concerned, my full support for Secretary Kissinger is fortified by the decision in Wisconsin. I think he is one of the greatest Secretaries of State in the history of the United States. I challenge anybody to say that we haven't been successful. We have peace, we are strong, and we are going to continue from that position in trying to help solve some of the problems around the world. And all of these allegations to the contrary, I think you have to take in the political context of an election year.

Q. Do you see any improvement in the American-Canadian relations?

THE PRESIDENT. Basically they are good, although we, from time to time, have some differences. But basically, our relations with Canada are good.

I was talking to some foreign dignitary the other day. They don't understand how Canada and the United States can have a border of the length of our border without a soldier from Canada or a soldier from the United States being on either side. They don't understand that.

So, we start from that premise—that the United States and Canada have good relations, have had, and we try to work out whatever individual differences we have in a responsible way. And sure, we have some now, but they are not serious, and I think the two responsible Governments will solve them.

Q. It appears right now that the Nation seems to be taking a less liberal and more moderate stance. Has this meant that the Democrats are tending now to be moving more or less toward a traditional Republican stance?

THE PRESIDENT. It is my impression that they have, as Democrats, caught the public sentiment which, in my opinion, is a more moderate stance, particularly when it comes to the Federal spending. The only problem some of my Democratic friends might have is that we have been talking about it. We are used to the words, we are used to the programs of trying to have fiscal responsibility, and they seem a little awkward in using those programs or those words. But maybe their learning curve will improve. [*Laughter*] Maybe they will do what we have been trying to do and, if they do, the country will be better off.

Q. It would be helpful if they would vote the way they talk.

THE PRESIDENT. A friend of mine over here—and I won't identify him—says it might be helpful if they would vote the way they are talking.

One thing, now that you mention the budget—and I know all of you are vitally interested—when I sat down for about 100 hours in November and December working with the people from the Office of Management and Budget trying to put the budget for the next fiscal year together, we first came to the conclusion that if we didn't add a new program, not a single new program in the Federal Government, and just had the escalation in cost predicated on the cost-of-living increases that come in many, many programs and, at the same time, more people become eligible for benefits under many existing programs, the added expenditures for the next 12 months would be $53 billion—if you don't change a program. That is an 11-percent increase in Federal spending without Congress doing what it has been doing lately of adding one program after another. And this 11-percent increase in Federal spending has been more or less the case for the last 10 or 12 years. And if you extend that over the next 25 years, believe me, it scares you.

So, I made a very firm decision to cut that rate of growth in Federal spending from 11 percent to 5½ percent. Now, that took some belt-tightening. Some of these programs had to be squeezed, but we came up with a budget expenditure figure for the next 12 months of $394.4 billion. In effect, we cut off about $28 billion in anticipated spending under the curve of the rate of growth that had existed.

Now, at the same time, we had to make a tough decision to add more money for the Army, Navy, Air Force, and Marines because Congress, in the last 6 years, has cut $32 billion in defense expenditures. Last year after I submitted the largest military budget in the history of the United States, Congress cut

$7.5 billion out of it. This tendency of the Congress in the past to slash our defense budget cannot be tolerated.

So, I added $14 billion in more funding for the Department of Defense, comparing this year to next year—$14 billion. It went from $98 billion up to $112 billion, wasn't it, Paul?[3] And in spending we went from the figure of about $92 billion or $93 billion up to $101 billion, just because we had been faced with this Defense Department slashing by the Congress for the last 6 years.

Now, the trend—if the Congress goes along with my budget for the Defense Department in the coming fiscal year and if we continue that line, our military capability will continue to be unsurpassed—*continue* to be unsurpassed.

I added $1,800 million in additional funding for strategic forces, $4.8 billion more for our conventional forces, $1 billion more for research and development. I added, as I indicated, $14 billion for next fiscal year over the current fiscal year.

Now the Congress has to be responsible, and they can't go through this exercise they have been going through for the last 6 years. They have just got to stand with us and, if they do, we will continue to be unsurpassed militarily throughout the world.

One more, and I guess I have to go, don't I, Terry?

Q. What is the status of the plan to cut down on the ever-growing——

THE PRESIDENT. Redtape and forms and——

Q. ——obligations that businesses are being subjected to by regulatory agencies?

THE PRESIDENT. Well, you have two problems. The regulatory agencies, such as the FCC, ICC, FTC—I think there are 11 or 12 of them—I have had one meeting with all of the chairmen and one or more members from each of them, telling them that they had to do something to clean up their individual commissions, get rid of some of the obsolete, obsolescent regulations, speed up the processes. I am meeting with that group again, I think next week, to get a report on how well they have done.

In addition, within each Department of the executive branch—and they aren't independent, they do come under the President—we have given instructions to every Cabinet officer, every other executive head, that they have got to reduce 10 percent of their forms and so forth by July 1 of this year. As I understand it, they have now achieved about a 5-percent reduction. But we are going to get a report from them July 1, and we will judge their performance by how well they do.

[3] Paul W. McAvoy, member of the Council of Economic Advisers.

One more.

Q. Since the ladies are in a minority here today, I was wondering, if you are elected, if you have any plans to appoint a woman to an important post?

THE PRESIDENT. I think we have done very well. We have a Cabinet officer, Mrs. Carla Hills, who is Secretary of Housing and Urban Development. We have the head of the NLRB Betty Murphy. We have a number of other top executives in sub-Cabinet posts that are occupied by outstanding women. Of course, we appointed for the first time to the Court of St. James, Great Britain, an Ambassador, Anne Armstrong, the first time in the history of U.S.-British relations. I have also appointed within the last month two additional women as top grade Ambassadors, noncareer. So, we are doing very well, I think. I hear about that at home occasionally. [*Laughter*]

Thank you all very much. It is good to see you.

NOTE: The President spoke at 10:13 a.m. in the Rose Garden at the White House. In his remarks, he referred to Senator Robert P. Griffin of Michigan who had attended the President's meeting with the bipartisan congressional leadership earlier that morning.

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Remarks Upon Presenting the Boys' Clubs Boy of the Year Award. *April 7, 1976*

I MIGHT say, John, and reiterate what I have said to these boys, that we are proud of them, and I think they should be proud of what they have done. I think all of us recognize the tremendous job that the Boys' Clubs have done throughout the country not only this year but over a long period of time, some 20 years or more, since the Boy of the Year program has been initiated.

The added thing is, I am very proud to be Honorary Chairman of the Boys' Club. It is a recognition of my interest in the organization and my full support for it. To see these fine young men here coming in and having the opportunity of getting their awards in the Rose Garden is a way, I think, we can build up and expand and further increase the influence of Boys' Clubs throughout the country.

I do want to thank, also, the Reader's Digest Foundation, which I understand sponsors or supports the Boy of the Year program. Without it, we couldn't have these fine young men down here getting these awards today.

So, we thank them; we thank all of you who handle the programing and,

more particularly, we congratulate Robert and the other nine regional participants.

Thank you very much.

NOTE: The President spoke at 12:15 p.m. in the Rose Garden at the White House where he greeted the regional finalists in the 30th annual "Boy of the Year" competition, which is sponsord by the Boys' Clubs of America. He presented Robert Lee Fisher, of Pasadena, Calif., with a walnut plaque proclaiming him the boy who best typifies juvenile decency in action.

In his opening remarks, he referred to John Burns, national president of the Boys' Clubs of America.

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Remarks Upon Signing a Special Message to the Congress and a Memorandum on the Federal Summer Employment Program for Youth. *April 8, 1976*

Governor Ray, Secretary Usery, Chairman Hampton, distinguished mayors, and county officials:

We have all been very encouraged by the steady improvement in the economy in the last several months. The Secretary of Labor also advises me that the youth employment situation has shown some gain in the past few months and is optimistic about the future. Nevertheless, with the advent of summer vacations it is very, very clear that more young people will be seeking jobs than the private sector will be able to provide.

I am, therefore, formally transmitting to the Congress today, an urgent supplemental request that would provide $528 million to support jobs for over 888,000 disadvantaged youths this summer. If the Congress will act promptly on my request local CETA [Comprehensive Employment and Training Act] sponsors will be able to provide meaningful work and training opportunities for substantial numbers of young people this summer.

I am also sending a memorandum today to the heads of all Federal Departments and Agencies calling upon them to cooperate fully with the efforts of the Civil Service Commission to provide summer jobs in Government for an additional 54,000 needy youths.

Finally, on a related matter, let me again urge the Congress to act on my request of January for $1,700 million to continue the existing public service employment program. Many local prime sponsors of CETA are running very short of funds and will have to lay off people if Congress does not act readily.

Whatever differences of opinion may exist on the job creation issue, there

is no reason why local officials and those already employed by CETA public service jobs should be kept in suspense and in fear of layoffs.

I hope and trust that the Congress will act promptly on these important matters, and I am now very pleased to sign these two measures.

I hope it is as easy to get the money as it is to sign the message. [*Laughter*]

Thank you all very, very much.

NOTE: The President spoke at 3:40 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to Governor Robert D. Ray of Iowa, Secretary of Labor W. J. Usery, Jr., and Chairman of the U.S. Civil Service Commission Robert E. Hampton.

311

Special Message to the Congress on the Federal Summer Employment for Youth and Public Service Jobs Programs. *April 8, 1976*

To the Congress of the United States:

Today I am formally transmitting to the Congress a request for a supplemental appropriation of $528 million which will support 888,100 jobs for disadvantaged youth this summer.

The Secretary of Labor has advised me that the unemployment picture for youth is expected to improve this year over last year. However, the problem of youth unemployment continues to be a difficult one, especially in the summer months when students are out of school and seeking work. The action I am proposing today, combined with other related summer youth programs, will mean Federal efforts will produce a summer job for 1.5 million young people.

If Congress acts in a timely fashion on this request for a supplemental appropriation, the Summer Youth Employment Program will get funds where they are needed while they can be most useful. The appropriation I am requesting will create the same number of jobs at the local level as we achieved last summer.

I have made my request to the Congress in the form of an urgent supplemental. Many areas begin their programs in May, and sufficient lead time is required to ensure proper planning for so large a program. It is important that the employment provided to these young people be meaningful, and that the program operate with maximum efficiency.

I also want to call attention again to the importance of prompt Congressional action on a related matter—my request for $1.7 billion in supplemental fund-

ing for public service jobs under the CETA program. This request, contained in my 1977 Budget, would provide funds needed to prevent layoffs from Federally supported public service jobs programs. A number of local sponsors are already facing the prospect of terminating their programs because their funds are running out.

This public service employment program is already employing people. Whatever differences I may have with the Congress over other aspects of the job creation issue, there is no reason why local officials and individual job holders should be held in suspense or in fear of being laid off.

Action is essential on both the summer youth and the temporary employment assistance supplemental requests. I hope the Congress will act quickly to pass both measures.

GERALD R. FORD

The White House,
April 8, 1976.

312

Memorandum on the Federal Summer Employment Program for Youth. *April 8, 1976*

Memorandum for the Heads of Departments and Agencies

When schools close for the summer months, many young Americans will be seeking temporary summer employment. This year, as in the past, Federal agencies can help these young men and women put their vacations to practical use.

I am once again requesting that Federal managers give their full support to the Federal Summer Employment Program for Youth. Past experience clearly indicates that young people are not only effective in the performance of duties as replacements for vacationing employees, but are also useful in a variety of other activities necessary in accomplishing the Government's missions. Also important is the fact that summer employment gives us a chance to expand relationships with educational institutions and, at the same time, assist students who need the income to help out with school expenses.

I urge all agencies to conduct balanced programs through the selection of young people who have successfully competed in the summer employment examination, those who have qualified under merit staffing and the Federal Sum-

mer Intern Program. In addition, to assure that needy young people have the opportunity to become involved, I am again setting a general goal of one needy youth for every 40 regular employees.

Chairman Hampton of the Civil Service Commission will continue to provide guidance on all aspects of the Government's summer programs and will report to me on accomplishments. In the past, the success of this program has been the result of support by Federal managers. I urge your continued personal involvement.

GERALD R. FORD

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Letter to the President of the Senate on the Federal Summer Employment for Youth and Public Service Jobs Programs. *April 8, 1976*

Sir:

I ask the Congress to give immediate consideration to proposed supplemental appropriations for the fiscal year 1976 in the amount of $528,420,000 for the Department of Labor's summer youth employment program.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

I also remind the Congress that the $1.7 billion I requested in 1976 supplemental appropriations for temporary employment assistance is urgently needed to prevent substantial layoffs from federally subsidized public service jobs by the end of this fiscal year.

Respectfully,

GERALD R. FORD

[The President of the Senate]

314

Remarks at a Meeting With Regulatory Agency Chairmen and Administration Officials on Regulatory Reform. *April 8, 1976*

FIRST, let me welcome you all to our second session. I remember very vividly the session we had before. I felt it was very constructive. I subsequently had the

opportunity to talk to Members of Congress on both sides of the aisle and at both ends of the Capitol.

I think most of you recognize they have a very great interest in what we are trying to do. As a matter of fact, I think some of their efforts are probably as hard hitting as I hope ours are in trying to satisfy the industries and the segments of our society that all of you have a great responsibility and are deeply involved in.

I think in this session we have today my remarks will be kept to a minimum because I am more interested in hearing about what you have done and what your plans for the future are. I think we have to recognize that there are certain areas that more or less cut across each of your agencies; for example, the consumer, the small businessman and, of course, the taxpayers. The latter affects not only all of you in a personal way but as individuals who have a responsibility to handle a great deal of personnel, some more than others, and you all have a responsibility affecting our economy, and that affects our taxpayers.

We do have some mutual problems, both in the executive branch per se and also in the regulatory agencies. About a year ago I asked how many forms are required of business generally or of citizens generally. I think the figure was around 5,200, which seems awfully high, but we had it verified and I suggested to Jim that we ought to require that every agency of the executive branch of the Government, as well as others, do something affirmatively to reduce that onerous burden on individuals and on our society. The target is 10 percent by July 1.

Jim, I understand some are doing better than others.

MR. LYNN [James T. Lynn, Director, Office of Management and Budget]. Yes, and we have had a complicating factor. As we dug into it, we found there are some forms that are never reported. We find also some departments and agencies show progress toward the 10-percent cut. They work from the originally reported figure because they count ones they didn't know about before from the old 10 percent number. It is uneven, that is the best way to characterize it.

THE PRESIDENT. We expect everybody—and we will include the White House in that—to get that 10 percent figure down. Ed Schmults and Paul MacAvoy have been handling this responsibility for me, and I would like at this point, Ed, if you would kick it off, and I will mainly listen and maybe ask some questions.

MR. SCHMULTS [Edward C. Schmults, Deputy Counsel to the President]. Before we begin our discussion, I would like to make a few comments on the progress reports you all submitted at the end of the year. Reform of our regu-

latory system is a long-term effort, and we would like to see what you have accomplished and what you are currently trying to achieve.

There are some points that were not fully discussed in the reports, and I hope we can talk about them this afternoon as we discuss our future efforts. We would like to direct our discussion to what has been done and what needs to be done.

The reduction of agency backlogs and delays seems to be the highest priority for everyone here. There have been some marked achievements in this area, and it is interesting to see the various approaches you are taking to solve your backlog problems.

Several agencies are also taking a number of important steps to increase consumer representation in their proceedings. In some cases, however, the consumer seems to be equated with the customer who benefits most directly from a regulated service. It is the American people who ultimately pay the cost of regulation, and all of them must be represented, too.

In general, there is less progress in improving the quality of economic analysis. Some of the reports show understanding of the importance of increasing and expanding the use of economic analysis in agency policymaking. Most agencies seem to be more limited in how they are using economic analyses.

Finally, most of the reports were far from specific in what was needed to increase our reliance on competition instead of regulation. It is not enough to determine how we are doing things without questioning why. I hope we will highlight our efforts today on future actions in this area. On the whole the reports are encouraging and responsive.

I would like you today to report on what you consider your most considerable reform effort. I would like to call on each of the chairmen to discuss each agency's efforts. In order to have time to consider all the agencies, I would ask each agency about your most significant reform success and that your report be kept to 3 or 4 minutes so we have time for follow-up questions. You will recall we advised each of you we are making a transcript of the meeting and plan to make it public.

Let's begin with Dick Wiley of the FCC.

MR. WILEY [Richard E. Wiley, Chairman, Federal Communications Commission]. On behalf of the Federal Communications Commission, I am pleased to discuss once again the important subject of regulatory reform. At our last meeting on July 10, Mr. President, you outlined four areas in which you hoped to see some improvements in our service to the public. Let me comment briefly on the Commission's recent efforts in each of these areas.

Number one, elimination of antiquated regulations or those which stifle com-

petition. For several years now, as our written reports indicate, we have undertaken a major deregulatory effort designed to eliminate needless, outmoded and overly burdensome regulation. We have, for example, modified or deleted over 400 rules in broadcasting and have made 25 major reforms to our cable television policies. We have made a special effort to reduce regulation of the small businessman, the person on whom the burden of government paperwork falls most heavily. This is perhaps best exemplified by our new short-form radio renewal application, adopted just last month.

The Commission has also placed considerable emphasis on rule changes in the common carrier field which have the effect of introducing competition in place of monopoly regulation. This has been true in domestic private line services, terminal equipment, land mobile radio, and international communications. In each of these areas, the Commission's actions have provided an opportunity for our free enterprise system to function, and the result has been to afford the individual consumer and the businessman a greater variety of modern communications options and alternatives and at reduced costs. Three weeks ago, for example—and I think this was our most significant effort—the FCC greatly expanded the opportunities for competition in the telephone equipment market.

Number two, procedural delay. In July of 1974, we created a task force to undertake a comprehensive reexamination of the Commission's adjudicative rules in order to eliminate unwarranted delays. Last month, the FCC announced a major overhaul of our historically cumbersome and time-consuming hearing procedures.

Without going into detail, let me simply say that these innovations should result in decisionmaking which is faster, more efficient, and I believe more responsive to the public interest. The problem of agency delay has also been addressed in the context of an extensive backlog reduction program.

Number three, expanded public participation. In the last 2 years, the FCC has substantially increased the opportunities for citizens and public interest groups to express their views to the Commission and to contribute to our decisionmaking.

Specifically, we have instituted a regional meeting program in which the chairman, other commissioners, and key staff personnel have met face-to-face with the public in such major urban areas as Atlanta, Chicago, Boston, Denver, Los Angeles, San Francisco, and Washington, D.C. These sessions are supplemented by monthly, full commission meetings which are open to groups seeking to present their views to us.

We recently have instituted a new weekly publication—distributed to public

interest and consumer organizations—which summarizes FCC decisions and invites comments on our rulemakings.

Just last month, in a significant action, we announced the opening of a Consumer Assistance Office whose function is to provide personalized aid to the average citizen in finding his way through the bureaucratic maze.

Number four, economic impact analysis of regulations. A basic principle of regulatory reform is to ensure that necessary regulation be as effective and efficient as possible, both in terms of the resources consumed by regulatory agencies and the economic consequences which these rules may have on the public.

The FCC is now implementing a program review analysis to give the Commission detailed information on the resource impact of major policy decisions and to review existing programs and operations from a cost-benefit perspective. The ultimate result of this project should be significant budgetary savings, a better recognition of the Commission's regulatory mission, and a greater understanding of the specific economic implications of our regulations.

Five, remaining problem areas. Despite our efforts, we cannot suggest, Mr. President, that the FCC has overcome all obstacles to optimum efficiency. One significant problem that has received a good deal of recent notoriety is citizens band radio. The principal difficulty here is the veritable explosion of consumer demand in the last year.

THE PRESIDENT. How did Mrs. Ford get that?

MR. WILEY. We are now instituting, I might say, an operation where every citizen can get a temporary permit, so it won't only be the First Lady.

In early 1975, we were receiving about 50,000 applications a month. This year the figure is over 550,000 per month. Associated with such a phenomenal rise are the problems of application backlogs, unlicensed and illegal operation, interference to broadcast and other home entertainment services, and spectrum overcrowding.

We have moved to deal with this situation by simplifying our rules and forms, automating our licensing program, investigating alternative licensing procedures, and considering additional spectrum space for the service.

We don't have all the answers to CB as yet, but if members of the public enjoy using this service—and apparently they do, including, I note, the First Lady, better known to her fellow CB'ers as KUY-9532, and I might say other members can also use that, we will be listening for you—the Commission must find new ways to permit them to do so without impairing other communications services.

In conclusion, Mr. President, let me reiterate the FCC's full and vigorous commitment to deregulation and to overall reform of our service to the American public. We look forward to continuing to work with you and your staff in this very significant undertaking.

THE PRESIDENT. Thank you very much.

MR. SCHMULTS. Dick, does your experience with the citizens band problem suggest you might explore, in addition to the other steps you are taking, widening the exemption area so you wouldn't have to go through a licensing procedure process?

MR. WILEY. We have looked at that. The greatest problem is the spectrum is not discreet. If you have interference in one portion of the spectrum, inevitably you will have interference in other portions. We believe the licensing procedure is the single greatest tool for enforcement.

What we are doing—as I suggested to the President—the problem has been the people get the equipment and then have to wait 6 weeks to get their license. Temptation comes in and they start to utilize the equipment. We are setting up a temporary permit authorization. We will at that time have an informative, simple, easy to read pamphlet which tells the very basic regulations, what is necessary in order that all can enjoy this service. If it is not regulated, there will be chaos because of the closeness of the CB bands to broadcast bands, and there will be interference. We might be able to go to a total deregulation, but I think that is in the future.

MR. STAFFORD [George M. Stafford, Chairman, Interstate Commerce Commission]. Could I make a cross-reference?

MR. SCHMULTS. Yes, surely.

MR. STAFFORD. I don't know whether it was before Dick or not, but the FCC asked us to get involved because the truckers were using this in the strike 2 years ago. It really had us all tied up, and they were, as you may recall, really using them to benefit, tie up all the commerce that was trying to move. So the FCC asked us to get involved and try to hold them down because they didn't have authority in that area. So, we put out an order then, in effect, threatening them a little bit, but that was about as much as we could do. But it gave truck management a lot of authority to tear them out of trucks.

Now, we find that a lot of the truckers—a lot of the management now like the idea of having them in there because they are cutting down on their loss and damages they are having because they immediately put out the CB report the second they have lost a truck loaded with something very expensive.

One of the largest truckers in the Southeast told me they were now cutting

their losses better than 40 percent. They don't care about anything except getting their truck back with their load. So, every taxi driver, everybody immediately knows he is going to get $1,000, $5,000 if he is the one that turns it in, and they immediately move in on them. They have been catching many of these trucks. They don't say we will not pay you until you can put somebody behind bars, we will pay you just to get our truck back.

MR. WILEY. The police are even now using CB. It is the one spectrum where every man can use the radio. I think we have to find a way to facilitate this.

MR. STAFFORD. I would be concerned if you tried to deregulate that too much.

MR. MACAVOY [Paul W. MacAvoy, member of the Council of Economic Advisers]. One of the fastest areas in new technology is the communications industry, and it appears to us we are on the edge of an explosion in communication from the use of satellite technology. Is the commission prepared to deal with the problems of entry permits, and ratesetting as this new technology develops?

MR. WILEY. I think so. We have seen this coming for some time. I think I would tend to agree with you, satellites portend a tremendous revolution in communication services. We have adopted, I think, a modified open entry policy because we do believe in competition in this area. A number of companies are making great investments to use birds and to develop this new service. We think that we have prepared carefully for this, starting back in 1972. We think we are ready for the revolution that will come.

MR. MACAVOY. This interest is by private companies and telecommunications companies. Are they able to compete on an equal basis?

MR. WILEY. I think they will be, yes. That has been the basic concept we have had. The commission did make a decision to place a limitation on the American Telephone and Telegraph Company in this area. I must say the chairman and I dissented. That is the best way to get this new system developed and in the most productive way possible.

MR. SCHMULTS. Thank you.

Could we hear from Mr. Bagley of the Commodity Futures Trading Commission?

MR. BAGLEY [William T. Bagley, Chairman, Commodity Futures Trading Commission]. The first thing we will try to do is change the name of the act. You don't know what the people call the Commodities Futures Trading Commission.

Mr. President, gentlemen, let me take a little different tack rather than trying to regale you with what we have done in our 11 months of tenure. I think it makes a little more sense from my standpoint in trying to help you to look

ahead at what all of us should be doing from the perspective of somebody who just came to town.

I don't want to burden you with a restating of our unit, but the only point is we do not have regulatory delay; by the fact of the calendar we don't. We don't have regulatory conflicts and conquests. We don't have regulatory malaise. We haven't been around long enough to suffer hardening of the categories. So it wouldn't be fruitful for me to sit here and try to tell you we can make our decisions in 3 weeks—big deal. But the fact is we do.

I think it is more fruitful to try to broaden our perspective and talk of the broader problems and, hopefully, solutions that the new boy in town sees when he becomes, all of a sudden, chairman of a regulatory commission, having served his former life as a legislator—and, wow, it is different. [*Laughter*]

I miss the accountability and commonality of a constituency. Commonality, meaning there is a thread that makes participatory democracy work, but that thread isn't there just because the President appointed five different people. That doesn't make for constituent democracy.

So, the biggest problem that you asked about that I foresee is how to first of all formulate the concept of and then build a broader constituency that goes over the whole gamut, the whole spectrum. It is sort of obvious but, believe it, or not, in our first discussions in this new commission, there was disagreement on whether we should try to build a constituency. Having agreed that that is something we darned well better do, then you try to look in the direction of where you want to go. It is the luck of the draw as to where you end up—five guys, all good people—but it is the luck of the draw whether three guys go in that direction and two in the other because there is no inherent constituency.

So what do you do? You try to create. In my humble opinion, this, I would say, is your major successful effort at regulatory reform, an atmosphere of openness. I am talking of open meetings. The Consumer Products Safety Commission and recently the Federal Trade Commission joined us by resolution in our open meetings. There are three or four bills in Congress and many are nightmares. They create a bureaucracy of openness but there are too many rules of how you do it.

Mr. President, I think perhaps you are endorsing the concept, and the States, cities, and counties in the last few years—California since 1973. I found out that the City Council of Grand Rapids passed a resolution that they were going to have open meetings. The concept is here. It also helps to build a constituency; that is the point.

Another way to build a constituency is to look at the so-called sunset laws. Colorado just passed one. There are three or four on the Hill. Again, there are problems with those bills because some of them contemplate immediate self-destruct of everybody here. You can't do it that way. But, again, for the purpose of accountability and constituency building, if you had a phasein system where one entity, one agency every year over a period of 15 years with recurrent necessity to reauthorize, not just budget, reauthorize the very existence—nobody is going to get rid of all the agencies, but at least there will be an occasion for rewriting of the law. That makes Congress more mindful of their obligation and creates in them the concept that they are the constituency.

The third area, we will talk of data reform, getting rid of the forms. All well and good, we will be doing that. We find some have been around since 1922 when our predecessor agency was enabled, but in addition, not just for the sake of efficiency but again for public access, let's make those forms and that information something that the public can get to, can have access to and thereby understand what we are doing. Let the public in. Let them participate and create that atmosphere of participation.

Lastly, and I mean this, if all of that doesn't work—and I have my doubts as to whether it will—I took a quick look last night at the Ash report and their conclusion was, in many instances, the multimember commission without a constituency, without built-in accountability, has problems. I would very seriously recommend that your people look at the idea again of advocating a little surgery rather than cosmetics to really shake the regulatory tree.

THE PRESIDENT. Did you find when you and your associates went in and took over that your were surprised, pleased, or felt otherwise concerning the operation of a commodity market?

MR. BAGLEY. First, I was amazed that the industry existed. I was neutral. As far as the markets, they had been doing well, so there wasn't any major surgery on our part to undertake. We basically had to let them know we were not going to "Mau Mau" them out of existence; that we weren't going to upset their marketplace.

There are an awful lot of things, simply because of our new jurisdiction, that were not undertaken. That doesn't mean overregulation; it means from our standpoint making the market a better place and, therefore, helping it grow as it becomes more credible. That is sort of our regulatory philosophy.

From the standpoint of the overall picture, I really believe if you don't have this concept of a constituency and accountability built in, then you will get captured sooner or later. Therefore, I would seriously consider taking a longer

look at the Ash report and converting some of these agency heads to become accountable to the White House and accountable to the Congress.

I have one further thought, a regret which I have to express. I am sorry that my regulatory responsibilities prevent me from campaigning—that regulatory agencies don't allow me to to get out and do what I would like to do.

MR. SCHMULTS. Thank you. You have given us all some good thoughts to consider.

Bill Anders of the Nuclear Regulatory Commission, could we hear from you?

MR. ANDERS [William A. Anders, Chairman, Nuclear Regulatory Commission]. Mr. President, the Nuclear Regulatory Commission's primary responsibility is to assure effective public health and safety in the use of nuclear power. We discussed this rule here about 2 weeks ago, and I want to assure you that responsibility is being met.

In addition, a key personal motivation of mine was to make the regulatory process not only effective but also efficient. By an efficient process, I mean one not fraught with delay, but one that is consistent and predictable and which facilitates industry planning.

My colleagues have given me their full support and share my belief that procedural regulatory improvement and the development of a realistic regulatory ethic is completely compatible with our health and safety responsibilities.

I will hit some of the high points of what we have been doing. We have been eliminating regulations that were unsuccessful or unproductive and making cost impact value assessments. The Commission revised its requirements for control of radioactive effluents from nuclear powerplants when we determined the cost of additional equipment did not result in significant public health benefits.

Furthermore, we revised our original implementation plan for these new requirements when it was itself shown not to be cost-effective. Such impact value review is now a basic tool used in evaluating proposed regulatory actions by our Senior Regulatory Requirements Review Committee.

We have also taken a number of specific actions designed to increase regulatory efficiency, particularly in reporting requirements. These have been refined and reduced substantially to improve the focus on safety.

We have arrived at a more realistic estimate of the frequency that information is needed for regulatory purposes. First year operating reports have been eliminated, and subsequent reports are now annual instead of semiannual. As a result, the volume of paperwork provided from each reactor licensee has been reduced by several hundred pages a year without adverse impact on safety.

We have also placed considerable priority during the past year on alleviating prime difficulty for the nuclear industry and the affected public; that is, the difficulty in planning in the face of uncertain governmental regulatory policy.

We are continuing our efforts not only toward eliminating unnecessary time in reaching regulatory decisions but also toward stability and predictability in the decisionmaking process. It is in this latter area of stability and predictability that I believe greatest potential payoff to the consumer exists. As an example, we published a complete description of how the NRC staff is going about its safety review of nuclear powerplant applications. These so-called "standard review plans" are enabling industry to plan with greater certainty and have resulted in a more disciplined and predictable review.

Furthermore, when industry knows what is and what will be expected of them, they can plan and utilize their resources more efficiently, thus providing the consumer more cost-effective energy and a safer product.

I believe we established a number of organizational structures and probably, more importantly, enthusiastic staff reports which will assure that the concepts of both efficiency and effectiveness are built into the ways we carry out our everyday business. These can be expected to have significant benefits to both the taxpayer and consumer. Much of this benefit will not become directly evident as it will consist simply in avoiding unnecessary bureaucratic growth and unjustified requirements.

Additionally, Mr. President, we are strongly supporting legislation which your administration has proposed on the Hill and which we are in favor of for new licensing procedures for nuclear powerplants, particularly related to nuclear safety and regulatory efficiency.

After I leave, Marc Rowden, our Chairman-designate, is particularly interested in this and will continue the efforts that we have already begun.

Mr. President, Mr. Chairman, that is about all I have to say.

THE PRESIDENT. You mentioned the meeting we had here several weeks ago where I got the full briefing on safety, safeguards, and other matters involving nuclear power, primarily because of a situation involving California, I noticed the other day in Michigan—my home State—petitions are being circulated to get a referendum on the ballot in Michigan. I assume many of the same provisions are included in the California ballot. They are striving to get it on by the election this fall, but apparently they are not getting as enthusiastic responses as they did in California. But if not, they will certainly aim for 1978. So, this problem in California is obviously going to be a problem in other States.

MR. ANDERS. California will be the bellwether of this whole affair and is the

one we are watching. These folks who have a negative view on nuclear power—the regulatory hearing process is one amenable to being used for delay. In fact, that delay which still exists in the process is mostly attributed right to that segment. There is not much we can do outside the hearing process to make it much better. The California situation, which comes up on June 8, I believe, is one that is particularly insidious in that proposition 15 is written in such a way that if you don't understand it, you will vote for it and support it automatically.

MR. SCHMULTS. Thank you.

Now we will hear from the Securities and Exchange Commission. Rod is one that has gone from the frying pan to the fire in terms of regulation.

MR. HILLS [Roderick M. Hills, Chairman, Securities and Exchange Commission]. Our efforts have been to institutionalize our procedures. Our new Director of Economic and Policy Research, which is a brand new office for us now headed by a prominent economist, is determining whether a proposed regulation is worthwhile. We are monitoring to see whether our regulatory objectives are met and, if not, those regulations will self-destruct.

In February, we began an extensive study of the disclosure policies which have been developed by the SEC over 41 years. We have a prominent advisory committee which will oversee what is a major staff effort, which we believe will result in not only a new disclosure policy but a very substantial savings in money each year to the public.

This month, we have approved a major additional effort to change and modify all of our forms and the underlying regulations. Jim will know better than I what 10–K, 10–Q, and 8–K means. Our change in just form 8–K will result in a 44-percent reduction in the number of 8–K's filed. The underlying regulations—it will mean 75 percent of all the advertising expenses in an adversary proceeding will be eliminated. The savings annually will be in the millions of dollars from that one point.

In March, we began an examination into all the regulations and laws pertaining to money management and are seeking an alternative to money management. We have a new division director, all new associate directors, and a new chief counsel. In our judgment, within a short period of time our management of money management will be entirely new.

Last month, we appointed a Director of Small Business Policy to increase the ability of small businesses to raise capital, an effort we think is quite promising, an effort supported by the entire securities industry.

Four months ago, we adopted the so-called focus reporting system for local dealers. This reduces the paperwork dramatically, because it means there is

now a single form to be filed with the Commission for all self-regulated industries and regulatory agencies of 48 States. It reduces reporting by 98 percent. One of the largest brokerage firms in the country has told us the reduction of their audited fees is 50 percent by this one change.

Four months ago, we began an evaluation of proposed regulations or rules, and, as a result, we have withdrawn entirely 28 outstanding rules proposals.

We found opinions in our administrative proceedings were taking 2 years to come down. We found the typical opinion took 1 year. Our attempt to reduce that typical opinion to 30 days is almost complete, and it will shortly be at 30 days. We found we could not track in any fashion the delays in the thousands of filings made with our commission every year.

As of last month, after a great deal of work and a great deal of help from the OMB, we now have a computer run that gives our managers a chance to identify every filing within a week or two after it develops. The OMB approved our request with your support, sir, for money to convert all our files to microfilm. That will further speed our work, reduce our staff, and save us a great deal of money and will include a reduction of 35 people from our personnel.

We eliminated fixed commissions, a practice standing for 182 years. I think it is the only time that a Commission in the history of the Government in a ratemaking situation got out of it.

We believe that the efforts I have described will produce comparable results and comparable endorsement in the months ahead.

THE PRESIDENT. What has been the net result to the consumer with the elimination of ratemaking?

MR. HILLS. I think Ed made a good point a minute ago. It has been difficult for us to find out who precisely our consumer is. To date, the consumer has benefited only to the extent he has been a participant in an institutional buyer. The cost of buying stocks through an institution is 5 percent. The same savings has not been passed on to individual buyers in precisely the same way because they don't yet have the effective muscle to have the brokerage firm reduce their rate.

What we have found out is that the industry has been pricing their commodity in the wrong fashion. Having a fixed rate, they never tried to change it. It has now moved to a fixed share cost instead of a percent. If the stock was $100, they were charging $5. But now, industry is finding the cost is more related to the share. We are beginning to show the industry what it is costing them on a percent per share. That has shown the industry today in every category the cents per share cost to consumer is even a tiny bit less than it is to the institu-

tions. So, I think there is no doubt amongst any of us that the cost to the consumer to buy a share of stock has been dramatically reduced.

I might say we are in midcourse of causing competitive market making in the securities industry. Today, on listed stocks, there is a monopoly position and we have reduced that monopoly position in a dramatic way for agency transactions. I think we have a growing consensus in the securities industry and certainly have a regulatory intent to eliminate this monopoly position. Once that is taken away and there is true competition in making the market stocks comparable, there will be another dramatic reduction in cost of stocks to the consumer.

MR. MACAVOY. One of the arguments that seems to be the strongest or the most often presented in eliminating control of the commission was the service to the small purchaser; the individual buying a few shares would be eliminated, chaos would break out, and the result of the chaos is there would be no more service for small purchasers.

Have you tracked the effect not on the prices but the quality of services?

MR. HILLS. Yes, we have, but the phenomena was nobody bothered to price the individual service, but everything came together and they got their price. I know of no individual losing service except many parts of the industry are having a hard time trying to figure out how to develop their services, but they are trying.

The issue of how to provide the right kind of service to the right kind of buyer is very much in the developing stage. We tried very hard to find who was going out of business. A lot of companies have, but there was by no means a dramatic exodus. We spent as much as 4 hours with people that went out of business trying to find out why.

One businessman came to us and said, frankly, they hadn't realized it, but they were not in an economic business; were not doing anything that made sense. We are now trying to find out the type of investment advice people want and charge them. Instead of making people pay for services they didn't want, we are allowing people gradually to get the services they do want.

Traditionally, we have said people sell stocks but don't buy them. The amount of stocks owned by institutions that do their own research has grown dramatically. Many individual stock purchases are now done by institutions, so by unbundling services we find people are developing services and hiring people that can produce the kind of services they want.

I think I can say there has been no loss of essential services anyplace. We have no consumer complaint they can't get the kind of services they want.

MR. SCHMULTS. Thank you.

George, could you tell us about your success at the Interstate Commerce Commission in the area of regulatory reform?

MR. STAFFORD [Chairman, Interstate Commerce Commission]. Mr. President, I am honored to have an opportunity to follow up our meeting of some months ago because the ICC currently is engaged in implementing quite a few significant reforms initiated by our commission or mandated by our recent rail bill. The rail legislation represents a major rethinking and reevaluation of the Federal controls over the transportation industry. The effect has been to redirect the efforts of the commission, reaffirm the needs for regulation in the public interest, and to reinforce the importance of competition in our economic environment.

Last July, you established four goals toward which all agencies should strive. The ICC fully supports those objectives, and they are and have been always foremost considerations in our policy deliberations.

At the end of last year, we apprised the Office of Management and Budget of our activities regarding the four-point program. Our programs are progressing to the point that we are seeing significant results regarding regulatory lag—our backlog is down, and our output is up. Consumer assistance, though we feel it is very good now, will improve by the creation of the Office of Public Counsel.

We are assessing even more carefully the impact of rate changes on consumers. We have added a whole new force to watch for consumer problems in new rates. The economic consequences of regulatory programs are receiving greater attention today than ever before. We have reorganized our whole economic section with specialists in every area, including our continued efforts to make sure the American rural community receives adequate service, to allow the small businessman to remain competitive in the marketplace, to provide the consumer with tools to participate on more equal terms. We are analyzing the causes and extent of empty truck movements and conducting cost-benefit surveys on the effects of regulation.

In the area of reduced regulation we have a number of activities underway, including a proceeding to remove most rail rate regulation where effective competition exists. The commission is proud of its responsiveness to your four-point program.

I have with me Commissioner O'Neal of our commission, and he and I will be happy to answer any questions.

THE PRESIDENT. How are you doing on the gateway problem?

MR. STAFFORD. We are doing very well on that, Mr. President. In fact, with the exception of a very few cases that we have been taken to court on and perhaps

15 or 20 major problem cases, we have put out about 30,000 cases in that. And we are in the process now of trying to evaluate whether or not—one of the agencies was trying to decide just how much fuel we were going to save as a result of this, and they told us it looked like we would save, as I recall, about 3 million gallons of fuel.

THE PRESIDENT. Three million a year?

MR. STAFFORD. I believe that was every month, but we are now going out to find out actually what is happening on this. We are asking for their figures before and their figures afterwards. I must admit, this has gone the other way on your other requirement to cut down on reports to be filed. But this is a one-shot affair in order to try to just find out if it really was the kind of a saving, because, if you recall, if it was less than 20 percent circuitry, we let them stop; if it was more than 20 percent circuitry, we said you could not operate that way any longer. We are making very good headway.

THE PRESIDENT. I will be very interested in that report because, at the time of the oil embargo, it was called to my attention on several occasions how much in the way of diesel fuel on a particular run they had to waste because of the problem.

MR. STAFFORD. Then our favorite word, "backhaul," got involved at the same time on waste of transportation. Of course, backhaul is really a catchword that a lot of people use and it just really means how much empty mileage do these regulated carriers have.

Our studies, there are two different studies we have had and it comes up to about an overall 7 percent, but we are spending a whole year—this year, actually—going out to weighstations all across the United States, and we are checking very scientifically. We are working with the Department of Transportation and with one or two of the other agencies to have something really worthwhile. So, we will know, and you will know, whether our figures have been right or not—and we want to know.

THE PRESIDENT. How soon will you be actually utilizing the new rail revitalization and regulatory reform, if that is the right title?

MR. STAFFORD. As you know, there are many deadlines and many studies that have to be made. In the rail area alone, we have some 20 studies or definitions that we have to work out. In that bill, it gave us certain time limits, we have to work those out. We are on time so far in most of those. We think it is a good bill. We may not think so after we finish making some studies to find out what some things may mean or not mean in the context of running a railroad.

MR. SCHMULTS. Thank you very much, George.

Dick Dunham, may we hear from you and the Federal Power Commission?

MR. DUNHAM [Richard L. Dunham, Chairman, Federal Power Commission]. The problem we found ourselves faced with in the last 3 years is that the number of filings with the Federal Power Commission have increased from 7,200 to 15,315. Now, during that same period of time, the major decisions reached, the resolutions increased by a great percentage, from 72 to 317, but, nevertheless, we are very much at the present time on a treadmill running faster but going backwards all the time.

So, some of the procedural steps we have undertaken is first to establish a case control system for the commission itself. It has been alleged by many people that we regulate that some of their applications and filings have gotten lost in the commission. We found that we could not disprove that complaint. So, essentially we adopted a case control in order to get the track of filings.

We have adopted what we call a top sheet procedure. Under the former practices every item of an application was subject to the entire evidentiary process, and both staff and all intervenors had to introduce testimony on all items of a pending application even though there was no dispute on the facts or anything else. So, we have adopted this procedure where, if there is no dispute or difference of opinion in terms of the facts or the issues or the policies that are involved in a particular application, they will be automatically settled up, which will allow, I hope, to raise to the surface the issues probably subject to litigation in a more formal procedure. We are very hopeful that will help.

One thing this Commission cannot take credit for—but we are now seeing fruition from—is the regulatory agency processing procedures. We expect in 30 days that the number of forms that we require in the regulated industry will be reduced from 50 to 15. That is an even higher proportion in terms of the amounts of information that the regulated industry should furnish to us. It is not combining 50 forms into 15 forms.

THE PRESIDENT. I was going to ask that.

MR. DUNHAM. I anticipated that.

Some of the forms required a lot of historical, redundant information, and we will up date that. It is a substantial improvement and, assuming we get it through, I think it will have a very profound effect on the amount of information required from the industry and thereby the means of exchanging information with us.

THE PRESIDENT. Why do you have to go to GAO?

MR. DUNHAM. Because new forms have to be cleared by law.

THE PRESIDENT. I thought it was OMB.

MR. LYNN. It used to be that way. There is a little tug-of-war going on in GAO as to how far the authority extends.

THE PRESIDENT. That was included in the Alaskan Pipeline bill.

MR. LYNN. Yes, sir.

The Paperwork Commission is showing a great deal of interest in this area and had testimony from us at OMB and from the GAO with respect to the reach as to forms in the regulatories. And a letter did go out from the Paperwork Commission to the heads—or is about to, I don't know whether it has been launched or not—asking their cooperation, and I think we should see some real action there. I haven't talked to everyone but the ones I have talked to on the paper matter as such—which is linked to the whole regulatory process, but in some ways can be attacked separately—but I feel that everyone does want to cooperate. But, as to that, whether the existing relationship is the right one as to the review of forms and what kinds of authority, whether in OMB or some other place, that is an issue.

MR. DUNHAM. We are not asking for new sets of information. It is just a different format. We have joint jurisdiction in many cases with States, where the responsibility is split. We work closely with the State regulatory agencies, and to work out the same information we can proceed on a joint basis. They will have access into our information and we will have access to theirs so we can coalesce it, and I think that will have a real impact.

Again, it will be helpful in that both the States and Federal Government can begin with the same basic information instead of disputing whether somebody had a different time period or why the figures are different. I think there will be a great deal of payoff on that.

Another procedure is what we call effective planning procedure where we solicit the regulated industry, our own staff, and the general public on issues that they see coming forward. The attempt here is to get us away from considering solely the case-by-case analysis.

It appears to us that, when you examine each case, when you argue each case, when you analyze it and everything else, the ultimate resolution of the case has many, many factors of law, economics, and everything else. And it is hard to pick out the theme, the policy theme that runs ahead of it.

Now, if we can establish this process, if we can set policy guidelines, rulemaking guidelines, whatever, where the regulated industry and everybody—the general public included—will have an idea of the guidelines, the type of things, the range of area, instead of being, as it appeared to us, being caught in

looking at each case, weighing the different factors involved in each case maybe differently or inconsistently with preceding or future cases.

We have undertaken or hope to undertake an organizational study of the Federal Power Commission. There has been, that we can see, no major rethinking of how the Commission itself was organized since about 1950. So, we think it is about time to look at the approach of the organization.

Other measures that we have taken to improve public perception of the Federal Power Commission—we have agreed and have held meetings in other places, and Washington, D.C., to try to get a feel. We expect to continue that.

We are also experimenting with—it is a difficult legal matter—holding joint proceedings with State regulatory commissions. Frequently in major hydrosite applications, for instance, both the State has certain powers and the Federal Government has others. Sometimes the resolution of matters are much delayed. It is a difficult area, but we are trying to work out ways to accomplish that.

We have decided to, and did adopt a resolution to open our public meetings to the general public for observation—that is, on all nonprotected matters. There are a lot of items that come within the Privacy Act, but the nonprotected areas will be discussed in a public forum so they can see how we arrive at decisions.

To go to your third section that you asked us to comment on, and for the problems that we see coming up, the primary one is the natural gas situation. We are in almost a very difficult position, as you are very well aware, of trying to attract to the interstate market gas which, under our rules, under our process is priced at about a third or fourth the price of nonregulated gas. It is a difficult matter, and we have not been that successful in adding additions to the interstate market.

Aside from the new gas price situation—leaving that aside for a moment—it seemed to us it would be very helpful if the law were changed, either added to or changed slightly in the definitions under which we now operate, because the constraints that we operate under—our Natural Gas Act was adopted in 1938, and hundreds if not thousands of cases of litigation, many in all kinds of superior courts, many, many in the Supreme Court, which limit and constrain the elements we can take into account in changing this equation.

We cannot, except to a limited extent, take into consideration price factors, market factors, costs of alternative fuels, things like that, so that is a very difficult thing. So, quite aside from the question of whether price regulation should be discontinued, it would be most doubtful unless there was some change that would give us the latitude to perhaps begin again.

MR. SCHMULTS. I think we are going to have to step up the pace a little to keep on schedule.

Karl, could we hear from you next?

MR. BAKKE [Karl E. Bakke, Chairman, Federal Maritime Commission]. Mr. President, when talking about the subject of regulatory reform, I think we need to distinguish between administrative reform and substantive reform in the administrative process. Administrative reform, by and large, is susceptible of unilateral action by the agency, whereas substantive reform is a matter that is in the hands of the Congress, by and large.

What I would like to do today is to discuss the two conference topics in those terms. I think in doing so our most significant reform effort has been in the administrative side through creation of an internal committee on expediting the hearing process. That is under the guidance of Vice Chairman Morse, who is sitting right behind me today, one of our administrative law judges, the Commission's secretary, and the deputy commission counsel and the hearing counsel. We are publishing a proposed public procedure reform in the FEDERAL REGISTER and inviting comments.

This committee has been active since its inception, and some of its recommendations to date have resulted in the promulgation of sensitive target dates, the sequential steps, discussion and final decision in commission proceedings, decisions, and interlocutory appeals.

In addition, there have been amendments to the Commission's General Order 16 which includes establishment of a date by which evidentiary hearings before administrative law judges shall commence filing of complaints and motions, specification of what must be contained in pleadings in matters subject to the Commission's expedited procedures, and early commencement of first round discovery and establishment of uniform procedures, such as depositions, interrogatories, demands for production, and request for admissions.

There are additional procedural reforms that the committee has proposed, and I would hope in the very near future to see those promulgated, as well. These include pleadings comparable to those required by many district courts for the purpose of narrowing the issues and identifying statute or case law.

Also under consideration are special expediting procedures for domestic rate cases and liberalization of authority of our administrative law judges to interpret or modify commission orders of investigation in light of circumstances arising as the proceeding goes forward.

Finally, requirements of a more detailed specification at the outset concern-

ing terms and conditions of proposed joint agreements by ocean cargo carriers or others.

So that, in a nutshell, I think, are the salutory consequences of the Commission's attention to areas that are susceptible of its own initiative. There are other more serious problems of a substantive nature that, much as we would like to institute reform, we would require legislation. And I think the most difficult single problem and the most persistent problem that we have with respect to regulatory reform is the fact that the Congress has not yet established a comprehensive national transportation policy.

The result of that is that the agencies find themselves at cross-purposes or even in situations of head-on conflicts, as in the case of ICC Docket 261, that I am happy to say was resolved by amicable negotiation rather than litigation. But a year ago at this time it didn't look quite as promising.

Moreover, the shipping laws that we are charged with administering today just don't take into account present-day technology and, again, in the context of a national transportation policy, this creates a great many difficulties. For example, ocean carriers may absorb inland transportation charges to permit containerized traffic to go to a single staging area rather than requiring the vessel to go into many ports in the same area. This is done for many practical reasons because, if they can get all their containerized ocean cargo into a single staging area, the costs required for handling containerized traffic can be minimized.

Now, this particular issue of absorbing inland transportation charges is a major issue in a substantial number of cases before the Federal Maritime Commission at this point. This involves the so-called minibridge, maxibridge, landbridge modes of transportation which puts us over into the ICC's area of expertise and I am sure George will say regulatory peremption. But, be that at it may, it is a serious problem. And the question before the Commission, very frankly stated, is whether absorbing inland transportation charges under circumstances I outlined are a violation of the shipping statute or permissible within a rank of construction of the statute at the outer end of the spectrum.

The consequence is that the Commission staff and, above all, the shippers and the carriers and ports and hangers-on, in general, are spending an exorbitant amount of time and do not reflect the impact in the real world of technology. In this case, it is the containerized ocean cargo but there are others as well.

Containerization also impacts on port development and internal facility plants because of the capital intensive nature of the shore areas needed. If there is a tremendous area of economic impact that is absorbing an inordinate amount of time of our agency—and I am sure the ICC and perhaps even the Civil

Aeronautics Board—it arises out of the fact the statutes we are charged with administering are archaic.

THE PRESIDENT. Let me ask this, Karl: Is the Commission or are the related commissions preparing for submission to the Congress new legislation that would meet the current requirements and related matters, or just doing nothing?

MR. BAKKE. No, sir. Speaking for the Federal Maritime Commission, we are setting in motion a comprehensive and searching review, both of our statutory authorities and the regulations we have promulgated to implement those authorities specifically with a view to updating them and stripping away the anachronistic or archaic features of our basic authorities—perhaps of necessity adding additional statutory authority to optimize our functions in the real world of today.

I think by the beginning of the next session of Congress we will be in a position to come forward with a number of proposals in that respect with the benefit of Mr. Lynn's good office in clearing off on them.

MR. SCHMULTS. Thank you.

Cal, could we hear from you and the Federal Trade Commission? We will have to cut the next three presentations rather short as the President has a bill signing ceremony outside. Please be as brief as possible.

MR. COLLIER [Calvin J. Collier, Chairman, Federal Trade Commission]. Mr. President, Lou Engman, as one of his last acts as chairman of the FTC, wrote to you about some of the specific steps that are being taken by the Commission that relate to your four-point program for regulatory reform, which I should add, we fully endorse.

Looking forward, I am hopeful the Commission's efforts at cost-benefit analysis can be institutionalized and expanded. This kind of analysis, done correctly, is no easy task. Equally difficult is the job of educating the staff within the agency as to how to build high quality analysis into their thought processes and recommendations. This has to be used to predict the effects of proposed regulations and other actions and also to monitor and evaluate in retrospect what the effects of such actions were. Regulators can't be allowed to bury their mistakes in the Code of Federal Regulations.

I have been particularly encouraged by reports on a program that began when I was general counsel. This program was designed to scrutinize the inventory of our accumulated trade practice rules and guides dating back decades to determine whether they should be rescinded. To date, and after public comments, 61 such rules and guides have been reviewed and over 90 percent revoked. Another 90 or so will be going through the same process in the coming months.

Your call for competition as an alternative to economic regulation is sweet music to the commission's ears. We believe that is what the FTC is all about.

Perhaps the most attractive areas for reform are regulatory delay and consumer underrepresentation. As we are often reminded by the bar and occasionally the courts, one man's delay can be another man's due process. We have made progress here both by changing our procedural rules and by better management, and that has resulted, for example, in a 33-percent reduction in the average age of pending investigations during the last year.

Effective consumer participation in commission proceedings is made very difficult by the high costs that such participation entails. And although we are open to suggestions from sister agencies who face similar problems, I confess that we don't yet have all the answers on that one.

MR. SCHMULTS. Thank you, Cal.

Dick Simpson, may we hear from you on the Consumer Product Safety Commission?

MR. SIMPSON [Richard O. Simpson, Chairman, Consumer Product Safety Commission]. Our Commission is about 3 years old, and we have authority over about 10,000 products. We have undertaken several initiatives over the last 3 years to increase and involve consumers in our activities, and it works throughout our agency. We have a meeting policy that requires every meeting with any official in our agency, down to the lowest level, with outside parties to be open to the public, to be announced in advance, and anybody in the United States is invited to attend. It really does work and isn't very expensive. Generally, no one else shows up, but there is no speculation as to what went on and what arm-twisting there was.

We have also had very effective volunteer efforts from consumers. We asked for help and have trained over 4,000 citizens from all walks of life—retired citizens and students who have helped in surveillance projects in industry. We have tried to improve our ability to set priorities in a rational way and measure cost of the activities we undertake and the benefits. We have not completed our estimates on that job, but we stand behind our estimates.

The regulations by the industry that will be completed this year will prevent about 65,000 injuries this year, and included in those are injuries by ingestion of aspirin by children; a similar reduction in deaths of children under age 5 in prescription medication deaths.

We have undertaken from the outset several activities to encourage self-regulation. I particularly believe in that. I am not cut out to be a regulator, but here I am. We have encouraged our technical staff—technical and scientific staff, to

participate in activities. They have been doing that for 3 years. It does not infringe on our ability to regulate.

We have been citing voluntary standards that have been developed and are being followed. We are pleased to do that.

The apparel industry is one that Jim is aware of from our mutual time in Commerce with the Inflammable Materials Act. The apparel industry has not only gone way beyond the Federal efforts—we have mandatory regulations on children's sleepwear—they have extended, voluntarily, the fire retardant regulation to other apparel.

In my personal opinion, there is no longer any need for any additional mandatory standards in this field. In 3 years I wouldn't have believed it possible. It is an example of what can be done.

In deregulation, I think last July, Lou Engman was the first speaker, and he suggested if there was a trapdoor under about 50 percent of the chairs and somebody pulled a lever—and we have been working on efforts in a sense to fashion our own trapdoor. We have put together a plan—a 6-year plan—and we have submitted it last September to OMB and the Congress and that plan predicts the ability to abolish this agency, an agency only 3 years old, in 6 more years. It would abolish it because we believe our task is a finite task, and we believe rational people would come to the conclusion consumer products no longer present a grave risk.

It is a bit of a change, and we haven't gotten acceptance of it, but I would suggest that every agency put forward such a plan because not only is it beneficial to keep from going into a counterproductive mode but it makes possible some meaningful oversight by the Congress. Right now, I am of the feeling the oversight is not very meaningful.

On another line, I might mention we share in common with Bill Anders—our agency does, FDA and OSHA, and some of the other agencies not here—that is, nuclear safety; similar problems—fluorocarbon ozone, Red Dye 2 and Red Dye 40—the whole matter of carcinogens associated with the environment.

I have been trying to create a mechanism called a science court as a regulatory forum to help agencies make better social decisions in these kinds of areas. The social decision is: How safe is safe enough and is the risk worth it? Implicit is economic risk, and risk to citizens.

But in these problems I have outlined, they are the kind of areas where the technology is very, very important and the technology is being debated in the public domain, and we are getting trial by PR. Secretary Morton was briefed on this. I talked to Ed Schmults about it, and Secretary Morton was briefed, and I

was hoping he would introduce it before he left. Your advisory committee headed by Dr. Raymond and Dr. Baker are aware of it. I would suggest if that court were in existence today, it might influence the nuclear initiative in California.

The Westchester County Board of Supervisors unanimously recommended such a science court be convened to investigate Plant 3. I have discussed this with people not only pronuclear or involved in it but involved in the same group are the environmentalists, the antinuclear forces from academia, and they also support such a concept. I think it would improve the decisionmaking process by the agency and, if the citizen is to vote, make it an informed vote.

MR. SCHMULTS. I think that is a very interesting proposal, and we are looking at that. It has been extremely helpful.

John, may we hear from you?

MR. ROBSON [John E. Robson, Chairman, Civil Aeronautics Board]. Very quickly, Mr. President, in the area of procedural reform and education. We created last summer a procedural forum, an outside advisory group to which we gave a 6-month deadline, and they met it and gave us recommendations. The committee then went out of business.

We have their reforms under consideration and have implemented some of them; for example, imposing on ourselves a deadline of a number of days in which we have to act in rulemaking petitions filed before us.

Second, we have underway a system under which we will be able, through use of our computer, to log in and chart through the Agency every single action that is filed with us and to set a deadline up the ladder so that, if it hasn't gone from point A to point B by the time it should have, we want to know why and move it out.

Third, in the area of burdensome reporting, we have had underway for several months a review of all our reporting requirements. I will mention a couple.

One, we have reduced for the airfreight forwarders by 14 forms a year and by 75 percent the reporting requirement. Most are small businessmen. Second, we are working with the Federal Aviation Agency [Administration] to have a single reporting to satisfy both agencies so they need file only one report to satisfy both of us.

We are trying to reduce extensively the burden on people to get a charter program started. In the last several months we have made some great strides in the charter areas. We introduced two brand new charter forms and proposed another. Each significantly liberalizes the opportunities for cost of charter transportation for the American people.

We are pursuing an aggressive, competitive route program as well as trying to push the forefront out in the area of removing restrictions on carriers that are obsolete and unnecessary.

We have allowed a great many discount fares to go into effect in the last several months, and there is, indeed, such proliferation now that people are confused by them.

In the areas of consumers, the CAB has had a consumer office since 1970, and I think it does a pretty decent job. Our movements in that area have been on specific matters; for example, the excess baggage charges and free baggage allowance, increasing the free baggage allowance on international flights. We have now pending a rulemaking to require the carriers to disseminate some tariff information so the ordinary consumer has a better idea what the fares are and how he can better avail himself of the cheapest one. We are struggling with the knotty problem of bumping, which is small in number but great in voice.

Finally, in the area of economic analysis, we testified this morning on the regulatory reform proposals that are before Congress now. We have really been in the process of analyzing the future of the Board for several months, and let me just read the first sentence of our testimony. It says, "Economic regulation should be redirected so domestic transport is governed by competitive market factors." We have offered a program to Congress. I will leave it there.

MR. SCHMULTS. Thank you very much, John.

THE PRESIDENT. Thank you very much, all of the Chairmen and your associates from the various boards and commissions. Unfortunately, I have to proceed with a signing ceremony of legislation, so I won't be able to stay. I have asked Ed Schmults to indicate to you what I would like in the months ahead.

Your testimony today has been very helpful. I think we have made significant progress. It is my feeling we have to keep pressure on in order to further, at this time, the progress. I appreciate your appearance. I am grateful for what has been done but we hope to see you in a few months and get additional reporting as to the success of your subsequent efforts.

I thank Ed and Paul for their leadership in this, and, if you will excuse me, thank you very, very much.

MR. SCHMULTS. I would like to reiterate what the President said. I thank you all very much for all the work you have put into this meeting, each of you. We could have taken up an hour and a half with the problems and progress that each of you has made in your own agencies.

To keep the momentum going on this effort, the President asks if you would submit to him by September 15 another progress report on your efforts to achieve

improvements in the four areas concerned that he has mentioned. Those were the subjects of your reports.

He has three specific requests he hopes you will keep in mind as you prepare your next report. First, that special consideration be given as to how we can make your progress—and our progress in the executive branch—as well as our regulations more understandable. For example, when you report on how you are eliminating or improving your regulatory functions, the President would like to see a specific statement on how the change will affect consumers, small businessmen, and taxpayers.

Second, if you would, the report should list and discuss priorities for agency reforms. Along with the priorities should be recommendations on where regulatory objectives can be achieved in a less costly, less time-consuming, and more efficient manner. If we are going to show results to the American people, we need to have a better idea of what our priorities are and how we are going to accomplish them. One of your first priorities should be where there is workable competition or where competition could be increased if outdated regulations were eliminated.

Third, the President asks all of you to concentrate, along with the executive branch agencies, on achieving a 10-percent reduction in the number of forms that Federal agencies require.

It has been said that our continued requests for information cost individuals and businesses billions of dollars in expenses every year. The cost of paperwork cannot any longer be considered an incidental cost. Many small businessmen have pointed out it isn't worth it for them to hire two people in their business whose efforts are directed toward filling out of forms instead of selling products and services.

The Committee on Paperwork is looking on the longterm approach of reducing costs of paperwork. The President has directed the executive agencies to achieve a 10-percent reduction in number of forms by July.

In your September 15 report on your administrative reforms, he hopes you can also report on your contribution to achieving a reduction in reporting requirements.

Let me say, certainly on this side of the table, we are all convinced that all of us here and all of you are working toward the goal of making the Federal Government as responsive and efficient as humanly possible.

Thank you. We appreciate it.

NOTE: The President spoke at 2:08 p.m. in the Cabinet Room at the White House.

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Message to the Congress Reporting on Administration Efforts To Settle the Cyprus Conflict. *April 9, 1976*

To the Congress of the United States:

Pursuant to Public Law 94-104, I am submitting a further report on the progress of Cyprus negotiations and the efforts this Administration is making to help find a lasting solution to the problems of the island. In two previous reports, I detailed the Administration's major effort to encourage the resumption of negotiations between the Greek Cypriot and Turkish Cypriot communities. My most recent report, submitted in February, indicated that the two sides had agreed to resume the intercommunal negotiating process later that month. That round of talks did, in fact, take place.

The Greek Cypriot negotiator and his Turkish Cypriot counterpart met in Vienna February 17-21, 1976, under the aegis of UN Secretary General Waldheim. The meetings concluded with agreement by the two sides to exchange proposals on the key substantive Cyprus issues—including control of territory—within six weeks. Moreover, the parties agreed to meet again in Vienna following the exchange of written proposals for the purpose, according to a joint announcement made on February 21, of establishing a common basis before the proposals are submitted to mixed committees which will function in Cyprus during recesses in the Vienna-level talks.

The commitment of both sides to introduce negotiating proposals on the key territorial and constitutional issues must be viewed as a significant advance. Until the recent Vienna meeting, the two sides had never been able to agree on a procedural formula which would allow the exchange of their respective positions on these key issues of the Cyprus problem. That obstacle has now been overcome.

At the recent Vienna talks, the Greek Cypriot and Turkish Cypriot negotiators also agreed to resume talks in Nicosia on humanitarian considerations. To date, six meetings have been held which have dealt with the problem of missing persons, among other issues, and the situation of the Greek Cypriots living in the Turkish sector. There is evidence that these talks are producing concrete results. For example, according to a United Nations communique issued at the conclusion of the March 27 Nicosia meeting, nine schools will be reopened in the Turkish sector on the island to provide for the educational needs of the Greek Cypriot population that has chosen to remain in that area.

The United States continues to remain alert to any opportunity to assist the

negotiating process more directly. During the recent visit to Washington of Turkish Foreign Minister Caglayangil, I emphasized the need for both sides to negotiate in good faith so that progress on the Cyprus problem can be realized as expeditiously as possible. Secretary of State Kissinger also addressed the Cyprus question in his discussions with the Foreign Minister. It was clear from our conversations that Foreign Minister Caglayangil believes these negotiations should be sustained so that the entire spectrum of issues can be considered.

In sum, we are encouraged that the negotiating process has been resumed and that a procedure has been developed whereby the critical issues can finally be subjected to serious negotiations. An important threshold has been crossed. Equally encouraging is the impetus that has been created to work out the humanitarian problems. Now we must all work to maintain and increase momentum. We are ourselves again reviewing the situation to see what more can be done to complement the efforts of UN Secretary General Waldheim and the parties, now that the stage has been reached where proposals are being exchanged. We will give serious consideration to any initiative or action—consonant with the wishes of those involved—which would provide greater impetus to the process that is now underway. In the weeks ahead, we will be in touch with the parties to explore such possibilities.

For the moment, we urge that the two sides engage in realistic and statesmanlike discussions on the major issues such as territory. For our part, we shall continue to devote our energies and resources to finding a just solution to the problems of Cyprus.

GERALD R. FORD

The White House,
April 9, 1976.

316

Exchange With Reporters on Arrival at San Antonio, Texas. *April 9, 1976*

REPORTER. Mr. President, what about the 1,200 civilians employed at Kelly that were laid off in the manpower cuts, and what specifically will you do for them, and what assurances do the people of San Antonio have that there will not be further cutbacks in the closing of Kelly?

THE PRESIDENT. Well, first, I think we have to have a little history of what precipitated the closing here of Kelly and around a thousand civilian jobs. Con-

gress, in the 1975 fiscal year budget for the Defense Department, imposed a 26,000 cut in civilian employment across the military installations. So, this cut here at Kelly came as a result of congressional action, which I, as President, didn't ask for, but the law was passed and it was imposed on us.

Now, it will, unfortunately, have to be carried out as dictated by the Congress. The Department of Defense, working through the Air Force, will make a maximum effort to try to find jobs either in the military or civilian community. The word I have is they will make a maximum effort, and they are optimistic that employment will be found.

On your second question, there are no actions initiated involving any of the other military installations, of which there are many in this country, for cutbacks in the recent announcements by the Army, the Navy, and the Air Force.

I quickly add that whatever has been recommended—not here, for the future—are only environmental impact statements, economic impact statements. And probably it will be 6 to 9 months before any final decision will be made on any of the others, except the one here which was imposed by the Congress.

Q. Mr. President, do you have any statement regarding the annexation of San Antonio? We have been told that the Justice Department has ruled that we may have to give those territories back.

THE PRESIDENT. It is my understanding that the members of the Texas delegation met with the Mayor of San Antonio and with the Assistant Attorney General, Mr. Pottinger, yesterday in Washington, D.C. The matter was discussed in great detail, and it is hopeful that a resolution of the problem can be worked out. I am optimistic, but I don't think there is any specific comment I can make at this time. They are working on it.

Q. Mr. President, has agreement been reached between the United States and the Soviet Union for onsite inspection of each other's nuclear weapons systems?

THE PRESIDENT. Under the Peaceful Nuclear Prospective Treaty, there are some very far-reaching new steps that will be taken to insure that there are no violations. One of them does involve, under certain circumstances, onsite inspection.

Q. Mr. Ford, are you giving up on trying to get Connally's endorsement, or have you two reached an agreement?

THE PRESIDENT. John Connally is a very good friend of mine. I don't ask people to support me. I want them to do it on their own, and I just think any comment on this situation ought to come from former Governor Connally.

Thank you very, very much. It is nice to see you.

NOTE: The exchange began at 11:02 a.m. at Kelly Air Force Base.

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